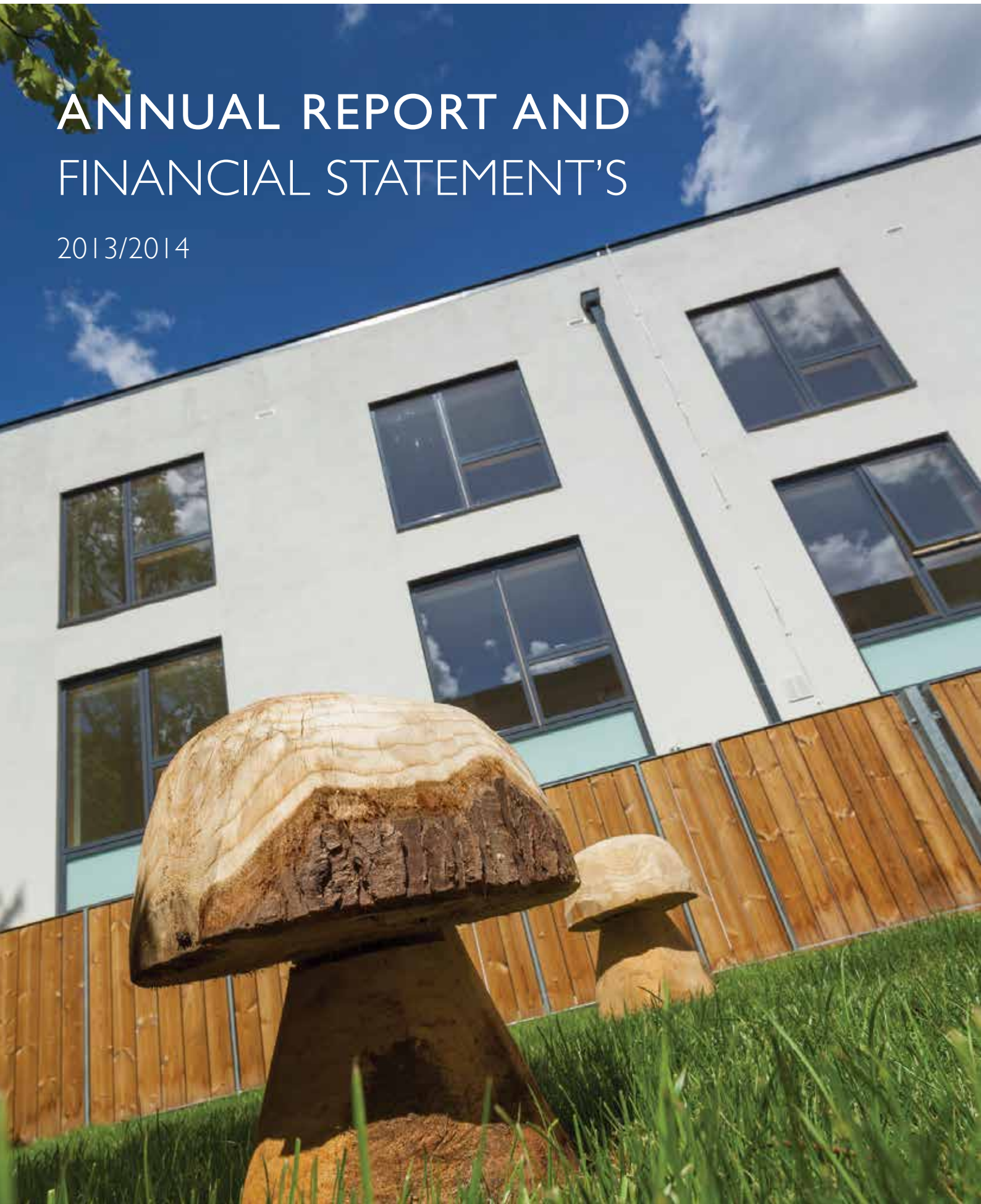


# ANNUAL REPORT AND FINANCIAL STATEMENT'S

2013/2014





*“Housing associations like Octavia hold the lives of ordinary people in their hands. Keep your properties in London where we have lived for generations.”*





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# THE BOARD, EXECUTIVE OFFICERS, AUDITORS, BANKERS, LEGAL ADVISORS, REGISTERED OFFICE



**Andrew Herbert**  
Chairman

## The Board

Andrew Herbert	Chairman
Aisha Ali	
Gwendoline Godfrey	
Grahame Hindes	
Annie Lathaen	
Simon Porter	
Jean Roch	Resigned 2 June 2014
Debbie Sorkin	Appointed 17 March 2014
Rosalind Stevens	Appointed 2 June 2014
Angus Taylor	
Rajan Upadhyaya	
Sylvia Warman-James	Vice Chair – Resigned 2 June 2014
Aldo Williams	Appointed 21 July 2014

Registered as an Industrial and Provident Society with the Financial Conduct Authority no. 13991R

Registered with Homes and Communities Agency no. L0717

## External Auditors

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick, West Sussex RH6 0PA

## Bankers

HSBC  
St John's Wood Branch  
1 Finchley Road  
London NW8 9TS

## Principal Legal Advisors

Trowers and Hamblins  
3 Bunhill Row  
London EC1Y 8YZ

## Internal Auditors

Mazars  
Tower Bridge House  
St Katherine's Way  
London E1W 1DD

## Executive Officers at 31 March 2014

Grahame Hindes	Chief Executive
Noel Brosnan	Asset Management Director
Mark Gayfer	Finance Director
Maeve MacAvock	Housing and Care Services Director
David Woods	Development Director

## Secretary and Registered Office

Colin Hughes, Secretary  
Emily House  
202-208 Kensal Road  
London W10 5BN  
Tel: 020 8354 5500  
Fax: 020 8354 4280





*80% of tenants feel their rents represent value for money.*





*82% Resident satisfaction levels in 2013.*



# REPORT OF THE BOARD, INCLUDING STATEMENT ON INTERNAL CONTROLS

## Overview

Octavia believes that good homes make for better lives.

Inspired by our founder, the social reformer Octavia Hill, we are a not-for-profit organisation providing thousands of people with good-quality affordable homes in inner London. Like her we believe in the power of well-planned, well-managed housing to make a difference

- a difference to the people who live in our homes, many of whom would otherwise be priced out of London;
- a difference to the vitality of local areas and their ability to give extra care and support to people who need it;
- and a difference to London as a whole, playing our part in sustaining the capital's rich diversity and social mix – something that benefits our entire society.

We aim to build happier lives and resilient communities by focusing on people as individuals, providing them with a range of services and the opportunity to support themselves. We spend any surplus income – whether from our houses or our social enterprises – on investing in our homes and building for the future.

Over the course of 2013/14 we have continued to pursue our mission. This report sets out the activities of Octavia Housing (“Octavia”) and its subsidiaries (together “the Group”) and includes the audited financial statements of Octavia and the consolidated accounts of the Group for the year ended 31 March 2014.

## What we do

We have been managing homes for 150 years, which makes us one of the oldest housing organisations in England. Octavia currently manages over 4,200 properties, including some of the first homes that Octavia Hill acquired. We believe in the value of mixed communities and in giving people on low incomes the opportunity to stay living close to where they work or have longstanding social ties.

We provide a personal service to residents, responding to their individual needs and providing support to help people sustain their tenancies. We also involve residents in the running of our organisation, from Board meetings to checking and reporting on our quality standards.

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*Engaging with the community at our annual resident involvement event.*



*Octavia residents*





Sulgrave Gardens

*Built using passivhaus principles, completed September 2013.*

Octavia is registered as an Industrial and Provident Society with the Financial Conduct Authority and as a Registered Provider of social housing with the Homes and Communities Agency (HCA). We reinvest all the surpluses we generate into our social housing portfolio and related activities and, as an exempt charity, Octavia enjoys the benefits of full charitable status.

**Octavia has four subsidiaries:**

- a) Octavia Living Limited owns and develops the homes for outright sale on housing developments led by Octavia and provides related commercial advice.
- b) Octavia Development Services Limited provides development services to Octavia.
- c) Kensal Enterprises Limited deals with the traded goods that are sold through Octavia's charity shops, and works closely with the Octavia Foundation.
- d) Octavia Hill Limited is a charitable subsidiary which we anticipate will provide social housing and related services in the future. The Board is intending to apply for Registered Provider status in the next year.

We also work closely with the Octavia Foundation, a registered charity that provides community support in Central and West London, often to Octavia tenants.

**External environment**

There is a substantial need for more housing and more affordable housing in particular. The Department of Communities and Local Government population projections indicate that around 52,500 new households are

expected to form in the capital each year, yet only 18,310 new homes were completed in 2012/13. This is a pattern that has run for a number of years and does not look like changing in the short term. This lack of supply, coupled with low interest rates has pushed property prices upwards, such that the average house price in London is now £438,000, more than 16 times the average income. These figures are for London as a whole with the averages higher in the areas where Octavia has stock. In 2012 average prices in Westminster and Kensington (where we have the majority of our homes) exceeded £1m and further significant rises have occurred since then.

The changing housing market is in part a reflection of the wider economic position. During the year to 31 March 2014 and subsequently, the UK economy (and London in particular) has started to recover from its deepest and longest post-war recession.

The benefits of this recovery have not, however, been felt in any substantial way by the majority of the people that live in our properties or receive the services that we provide. In 2013 the coalition government implemented a series of changes designed to reduce the cost of welfare. Changes to Housing Benefit regulations include the introduction of deductions for claimants deemed to be under occupying social rented housing. Further changes were introduced in October 2013 which limit the maximum amount of benefit that anyone household can receive up to £500 per week for couples and families and £350 per week for single people.









### **Rosalind Stevens and Eve Turner**

*"I met Eve three years ago through the Octavia Foundation. I found out about the service through one of Octavia's fun days for tenants. The befriending scheme is great because you are matched with someone who shares your interests. It's now a part of our lives to meet, we never sit in silence! I get a different perspective from Eve and we like to chat about history, we share things and we learn from each other."*



Neither of these changes has had a material effect on our overall financial position but there have been significant personal effects for the approximately 120 Octavia households affected by the changes.

The relatively small numbers affected by the benefit caps and deductions contrasts with the potential impact of Universal Credit, the proposed new system for paying benefits in a single combined payment, which is being introduced in a phased manner from late 2013. Part of this new system will mean the end of the routine practice of direct payments of housing benefit to social landlords by local authorities – a move which is expected to significantly increase rent arrears. At the same time regulations introduced to cap the rate of increase in benefits and also the overall national spend on this budget head mean that for those on the lowest incomes there is little short term prospect of improvement.

At the same time as there have been constraints on benefit spending, government investment in capital grants for new affordable housing have been significantly reduced. In early 2014 the HCA and the Greater London Authority (GLA) invited bids from social housing providers for their 2015 -18 Social Housing Grant round. The levels of grant available remain very low by comparison with the period until 2010 and in London are expected to fund approximately 10% to 15% of the cost of a new social rented home in the areas in which we operate. This contrasts with grant rates of 65% or more under the previous regime. This reduction in grant pushes social

housing providers to seek alternative funding sources to supplement grants for their new developments, including profits from developing new housing for sale, the re-letting of vacant homes at higher rent levels and an expectation that organisations manage their cost bases and increase their efforts to secure Value For Money (VFM) in all aspects of their operations.

Finally on the public expenditure side, there were reductions in central government funding for local authorities through 2013/14 and these seem likely to continue for the next few years. This has led to continuing pressure on care and support funding, many services being put out to tender in an effort to reduce the levels of grant that are provided by local authorities to enable the services to be provided.

Although the constraints on public spending have had a negative effect on the development work that Octavia can undertake we have been assisted in the past twelve months by the easier availability of credit from banks and building societies for both corporate borrowers like Octavia and also for individuals seeking a mortgage to buy property from us. Restrictions continue on the term of loan facilities available from banks although this seems to be easing – ten year loans have now become the maximum available up from five years previously. Longer term funds remain available from the bond markets and increasingly from bilateral facilities from pension funds and insurance companies. Interest rates have remained at the historically very low levels that have been in place since early 2009 with Base Rate remaining

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*112 households were helped with our debt advice service.*



Welfare advice



Welfare grants

Providing help for basic necessities in time of hardship.

at 0.5%. However, the Bank of England has signalled that it anticipates rates to start to increase within the next year or so. The section below, on Treasury describes the Boards approach to managing this risk.

Finally, the change in the Retail Prices Index to September 2013 was 3.2% up from 2.6% previously. This September rate is the one that determines changes in social housing rent levels for the year commencing in April 2014.

## Delivering quality services

Across our subsidiaries and in partnership with the Octavia Foundation, we provide a wide range of services intended to assist tenants to sustain their tenancies or to help in particular times of need. We believe in involving residents at every opportunity

to provide services that make a positive difference and result in better lives.

In May 2013 we commissioned BMG Research to carry out a large scale randomised satisfaction survey, the first since the 2010 status survey. The findings showed a significant increase in resident satisfaction with our service with scores in all areas improved appreciably. There are some areas of activity that we are working to improve satisfaction on including service charges. The Services Scrutiny Panel will be working with us in this area. The results put us into the top quartile on satisfaction with our overall service under Housemark benchmarking against both other members of our peer group of medium sized London associations, the L8, and London Registered Providers more widely.

Question	2013	2010	+ / -
Taking everything into account, how satisfied or dissatisfied are you with the service provided by Octavia	82%	68%	+14%
How satisfied are you with the overall quality of your home?	78%	74%	+4%
How satisfied are you with your neighbourhood as a place to live?	86%	80%	+6%
How satisfied are you that your rent provides value for money?	80%	70%	+10%
How satisfied are you that your service charges provides value for money?	66%	-	n/a
Generally, how satisfied or dissatisfied are you with the way Octavia deals with repairs and maintenance?	72%	65%	+7%
How satisfied or dissatisfied are you that Octavia listens to your views and acts upon them?	65%	50%	+15%



The number of complaints received during the year increased to 141 in 2013/14 from 117 the previous year (+24). Responses within our internal timescale improved to 95% but were a little short of the target of 99%. Notwithstanding the increase in number of complaints received overall, the number escalated to the complaints panel halved from 13 in 2012/13 to 6 in 2013/14. Two of the panel cases were upheld: in one case the Panel found that a warning issued for breach of tenancy due to ASB was issued prematurely; in the other case the Panel found that a complaint about unsatisfactory repairs to flooring warranted compensation. 2 of the 6 panel cases were escalated to the Housing Ombudsman by the resident. In one case no maladministration was found and we are awaiting the outcome of the other case.

At the end of March 2014 we had 98 households affected by the under occupation restrictions on housing benefit and 5 by the overall benefit

cap. We have managed the impact in a number of ways including increasing personal contact with cold calling and out of hours working; employing a Financial Inclusion Officer; revising our debt advice service to include drop-ins, working with households to apply for Discretionary Housing Payments and prioritising households for contact based on household characteristics. Our work is having a positive effect. Rent arrears overall were 5.1% at year end and within our internal target.

## Key performance indicators

Octavia's Board receive monthly Performance Reports setting out Key Performance Indicators. A selection of the more important amongst these are set out below, together with comparatives and, where possible, details of how these compare against performance by other members of our designated peer group (the L8 group of medium sized London based housing associations) as reported by Housemark.

KPI	13/14	12/13	Peer group Quartile 12/13
Overall tenant satisfaction	82%	82%	Top quartile
Satisfaction with repairs	72%	72%	Top quartile
Satisfaction with quality of home	78%	78%	Top quartile
Satisfaction with estate services	79%	79%	Top quartile
Average relet time	20 days	15 days	Top quartile
Average call answering time	15 seconds	12 seconds	Top quartile
Staff turnover	9% per annum	12% per annum	Top quartile
Housing management costs per unit per annum	£516	£512	Top quartile
Average standard Assessment Procedure (SAP) rating	71	69	Fourth quartile
Cyclical works spend per property	£781	£564	Fourth quartile
Tenant satisfaction that rent represents Value for Money	80%	70%	N/A



Octavia Foundation charity shop

Finchley Road. One of our 18 charity shops in the capital.

The figures in the table indicate top quartile performance in most areas although Octavia's repair spending is higher than average. This is in part a reflection of the composition and location of our property stock but also reflects the fact that we have adopted a deliberate policy of investing in additional works as part of each cyclical contract. During the year we increased the level of investment in component renewals (such as kitchen and bathroom replacements) and major repairs and improvements, spending £2.8m in total on this activity. Nearly all of our properties continue to meet the Decent Homes standard, and when we become aware of issues these are addressed. During the year we completed adaptations to 165 properties, at a cost of £0.2m to allow residents requiring various adaptations to remain in their homes. The relatively low energy score is currently being tackled through a programme of energy works which will bring all of Octavia's properties up to an energy rating of "good". This was the first year of our proposed ten year programme of energy improvement works. The programme has proved to be challenging with delays caused by changes in the grant funding regime midyear and practical issues around planning and gaining access to buildings. Although we completed works to fewer properties than we originally intended the programme has been revised to ensure we do meet the long term objective. Although we did not meet our full target during the year over 500 residents benefitted in some way from energy efficiency measures.

As part of our wider repairs service, we continue to work with our partners Mears (who are responsible for day to day and cyclical repairs) and Village Heating (gas and electrical work) to improve services to residents. Our long term partnership with both contractors was fully reviewed during the year and moved to a simpler pricing basis with the objective of both improving service and reducing costs.

Given the difficulties of replacing social housing in the areas in which we operate our long term objective is to ensure all of our homes are up to a really good standard. We are planning to undertake a further stock condition survey in 2014 to further enhance our knowledge of the current state of the portfolio. This will be linked to work that is already underway to develop our internal systems to make best use of the data which we do have.

## Care and support

Aside from housing, we offer a wide range of care and support services to older and vulnerable adults living in west and central London. Over the last ten years we have developed five extra care facilities, alongside a range of care and support services for older people to help them retain their independence, and we are in the process of developing an additional scheme for 36 older residents in Hounslow. We have also obtained planning consent for the redevelopment of the Kensington Day Centre which will include the provision of 13 level access flats again for older people. During the year we received consistently positive ratings from the independent regulator the Care Quality



Commission for all of our care schemes, remodelled a scheme in Maida Vale to create an additional dementia unit for 5 residents, and subsequent to the year end we were pleased to be awarded a new five year care and support contract by the Royal Borough of Kensington and Chelsea for our three facilities in the borough as well as management of their Care Scheme off the Golbourne Road, North Kensington. During the year all the schemes were visited by Care Quality Commission Inspectors and judged to be fully compliant with their standards. There are no outstanding care commission recommendations at the year end.

## Rent levels

As most of our properties are located in high value areas and we aim to provide homes at rents that are affordable, there is a significant difference between the market rents for the portfolio and the rents charged. Jones Lang LaSalle estimate the market rental on our portfolio to be £75m per annum as against the rents actually charged in the financial year of £21m. The difference (of £54m) represents the social dividend which the local community and government receives from the historic investment in Octavia's properties.

During the year average rents across all properties increased from £110.72 per week to £116.62 per week. The change reflects the increase as a result of the application of the government rent setting formula and some additional increases as a result of properties moving to the new Affordable rents regime.

Overall our average rents continue to be well below the government target levels for equivalent social housing properties, which averaged £145.05 per week. The decision by the HCA to discontinue our ability to converge rents with target rents through modest additional annual rent increases of £2 per week over and above the inflation element will significantly reduce future projected financial surpluses. This change will not pose any real operational problems in delivering services to existing residents but will undoubtedly reduce our ability to produce more new social housing in the future.

The new Affordable Rent regime was applied to a further 32 re-let properties during the year to make a total of 72 homes financed under this new system. No newly developed Affordable Rent properties have yet been completed. The Affordable Rents under the new system could have been charged at up to 80% of market rents, but given the Board's concern to ensure that rented property remains affordable to those in low paid employment, rent caps of £136 per week for 2 bedroom apartments and up to a maximum of £175 per week for 4 bedroom accommodation were approved.

For existing social tenants, the Board aims to keep the rentals at a level consistent with maintaining and developing our housing stock. Accordingly, our rent policy is based on the Government's target rent regime and the option to add an additional 5% to the target rent has not been taken up. As a result, the Board continues to believe that the rents charged by Octavia represent extremely good

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*Maintaining and using our assets well.*



Great Windmill Street.



Sutton Lane Hounslow

*On site at a new extra care facility for 36 new homes for older people.*

value for money for tenants, a result which the STAR (survey of tenants and residents) survey indicates is shared by residents.

For the future the HCA has indicated that it will be changing the basis on which Registered Providers of social housing can increase their rents for the ten years from April 2015. From this date, rents for existing tenants may rise by a maximum of CPI (the increase in the Consumer Prices Index) + 1% each year. This change will not affect the long term viability of the organisation.

## Providing more homes

With increasingly high levels of demand for social rented and low cost home ownership properties in our core areas of operation, the development of new homes for our portfolio and for other social landlords continues to be a high priority. We have set a target to deliver new social housing amounting to 3% of existing stock each year and are drawing up implementation plans to enable this target to be met. Meeting the target is complicated by the fact that our ambition is to continue to provide additional homes in our core areas of inner London.

In 2013/2014 we completed 203 new homes. Of these, 81 were for social rented housing and 52 for shared ownership. The balance of 70 homes, which were developed for market sales at sites in Shepherds Bush and Wembley, were completed in mid 2013 at a time when the London property market was buoyant. We were therefore able to achieve better prices than had been originally anticipated and in total delivered a surplus of some £3.5m to

subsidise the social housing on the same sites. By March 2014 all the Shepherds Bush properties had been sold while only five flats remained unsold at Wembley.

Working with other social landlords in the Connected Partnership, which Octavia leads, a further 121 homes for social rent were completed in the year together with 102 for shared ownership.

During the year contracts were signed for the acquisition of 34 social housing units at Putney Plaza, SW15 and a site was acquired and works started on the development of a 36 unit extra care facility in Sutton Lane Hounslow.

The current development programme is for 268 new homes to be developed between April 2014 and late 2016. The remaining development costs to be incurred are estimated at some £44m and Social Housing Grant of £5m is expected to be received following practical completions. These development costs will be covered by existing borrowing facilities of £39m and the existing free cash and deposit balances of £26m. As a result Octavia will increase its borrowing and gearing levels over this period.

Having successfully completed two developments with outright sale we are now considering other opportunities. Subsequent to the year end a decision has been made to start the development of a site in Cricklewood that we acquired in 2011. This will provide 14 affordable homes along with 23 properties for outright sale. Subject to property prices at the time of sale, the scheme is anticipated to generate additional surpluses.



The provision of additional affordable housing in inner London is only possible by working with developers to meet their planning obligations. We have developed good relationships with a number of major developers over the last few years and in the process we have been able to provide homes in locations that would otherwise be unaffordable. We strongly support the use of the planning system to ensure that an element of all major developments is available to those on low and average incomes.

While we have exceeded our development target of a 3% growth in social housing units in the current year the cyclical nature of the programme is such that we will not meet that target in 2014 / 2015. Our aim is to meet the target over a three to five year cycle. We are awaiting the results of our bid for grant funding for the 2015 – 2018 capital programme.

## Providing more than housing

Providing good homes and creating better lives goes beyond just providing quality housing.

For this purpose, we set up the Octavia Foundation, an independent charity that provides support and opportunities for local people. The Octavia Foundation's work focuses on four areas:

- care and support for older people
- work with young people
- help with training and employment for people of all ages
- help with money and debt for people of all ages.

Income generated through Octavia's 18 charity shops and from the commercial property portfolio is used to support the Foundation, along with external funding from a range of charitable sources.

Over the last year the Foundation has directly assisted some 1,200 people through the wide range of projects which have included the provision of advice on welfare benefits and debt, befriending support for vulnerable and isolated residents, employment and training projects and activities for young people including film-making and sports together with lunch clubs and support with gardening and small repairs for elderly residents.

110 Octavia tenants have also benefitted from welfare and educational grants awarded by the Friends of Octavia who continue to support our work, and the Board would like to express its thanks to them for this.

During the year the Octavia Foundation charity shops generated an overall trading surplus after an allocation of central overheads. The shops serve a number of functions, including allowing us to provide some employment opportunities but a review is currently underway to improve long term profitability.

## Information technology

We have a comprehensive set of IT systems in place for the administration of our various activities. For the past two years the organisation has been working on a project designed to further improve efficiency and extend mobile working through the use of IT. The first phase of this went live in April 2013. The results from this first phase

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*Planning for a new way of Smarter Working with modern IT.*



Going mobile



James Hill reception

*Retaining good staff and investing in learning and development.*

did not lead to the full level of gains that had been desired and, following a review of the project, a further phase was commissioned in January 2014 which will go live in late September 2014.

## Remuneration Policy

Octavia seeks to have both clarity and consistency in our remuneration policy which will:

- a) assist in recruiting and retaining staff;
- b) reward responsibility and performance at an appropriate rate in relation to the sector and the market; and
- c) provide terms and conditions that meet statutory obligations and better these where appropriate.

During the year the reward system for part of the staff group was revised and all office based staff, including the Chief Executive and Directors, are now

on market assessed salaries with a small discretionary performance award available. It is intended to extend this system to all other staff, who are currently paid on a graded scale system, in 2014. The salaries of the Directors are set by the Remuneration Committee and by the Board for the Chief Executive.

Octavia's policy is to offer fees to Board members. These are set in line with the scale of fees previously set by the Regulator. The level of fees was last reviewed during 2011.

Octavia has a staff forum where there is representation at all levels to ensure that staff are widely consulted on staffing policies and procedures. We also invest significantly in learning and development and a structured management and development training programme for all managers was run during the year. During the year our overall staff turnover rate was 9.2%



Building new extra care schemes for older people









### **Joanna and Christopher**

*“My son and I didn’t have anything before we moved in. Octavia gave us a fridge, a cooker and two beds. That was a real blessing. We have a roof over our heads now and we are absolutely over the moon. It was like a weight off my shoulders. People say I glow now! But it’s because we take pride, because it’s our home now.”*



# FINANCIAL REVIEW

Octavia's financial performance over the last five years is illustrated in the tables below:

	2013/14 £m	2012/13 £m	2011/12 £m	2010/11 £m	2009/10 £m
Turnover	58.5	32.5	32.9	36.9	33.2
Cost of sales	(23.9)	(1.7)	(3.8)	(3.4)	(1.3)
Operating Costs	(26.5)	(24.1)	(22.8)	(28.0)	(27.2)
Operating surplus	<b>8.1</b>	<b>6.7</b>	<b>6.3</b>	<b>5.5</b>	<b>4.7</b>
Net interest payable	(3.6)	(3.2)	(4.3)	(4.6)	(4.6)
Interest breakage costs	-	-	(2.5)	-	-
Surplus on asset disposals	1.1	2.0	3.0	2.5	1.1
Surplus for the year	<b>5.6</b>	<b>5.5</b>	<b>2.5</b>	<b>3.4</b>	<b>1.2</b>
Borrowings - gross	139	140	119	119	114
Borrowings - net	103	126	109	107	106
Housing owned/managed (units)	4,292	4,125	4,081	4,026	3,914

The Group's underlying financial strength arises from the quality of its portfolio of social housing, which has been built up over the last 100 years or so in areas which have come to be among the most highly valued in the country. This is reflected in an independent desktop valuation of the completed housing property portfolio at 31 March 2014 by Jones Lang LaSalle, which indicated the following:

	2013/14 £m	2012/13 £m	2011/12 £m
Open Market Value with Vacant Possession	1,785	1,473	1,354
Market Value subject to existing Tenancies	859	733	668
Existing Use Value for Social Housing	382	353	324
Estimated annual market rent of General Needs social rented portfolio	75	70	68
Actual annual rent roll of General Needs social rented portfolio	21	21	20

This independent valuation indicates an average Vacant Possession value for each of our General Needs properties of approximately £470,000.

The property portfolio requires significant levels of reinvestment each year for both maintenance purposes and to respond to the requirements of health and safety legislation. The current financial plan adopted by the Board in March 2014 envisages spending just under £26m on such issues over the next five years. This includes the

*Providing specialist dementia extra care.*



*Highlever Road*



Elizabeth House

69 homes for sale at Elizabeth House Wembley have been sold.

programme that will bring all homes up to a good energy efficiency standard over the next ten years.

In addition to the housing property portfolio, Octavia has commercial properties shown in the balance sheet at depreciated cost of £4.7m (2013: £5.2m) which were valued in March 2014 at £8.1m, and have been funded through Octavia's reserves.

## Capital structure and treasury

As an Industrial and Provident Societies Act company and a charity, Octavia does not currently have access to equity capital and so all its activities and investments are financed either by accumulated surpluses from operations over the last 149 years, grants or through borrowings. Given the long term nature of Octavia's investments in social housing, such borrowings tend to be long term in nature also.

At 31 March 2014, Octavia's gross borrowings stood at £139m with a further £39m of borrowing facilities in place, all of which were fully secured and available to draw immediately. The successful programmes of market sales properties in Hammersmith and Wembley were such that the level of freely available short term deposits increased to £26m at 31 March 2014. These funds, together with the Social Housing Grant on schemes under development, are sufficient to complete our current development programmes.

Our Treasury Strategy is set annually by the Board. During the year it was agreed that Octavia should adopt Duration (being an indicator of the average fixed interest life of the overall loan book) as a treasury management tool and following analysis a target range of 7 to 11 years was set. At that stage our overall loan portfolio was at the lower end of the target range at 7 years and it was agreed that further long term interest rate fixing should take place to weight the loan book more heavily toward fixed rates. Firstly, a £12m interest rate swap for 23 years was arranged with Notting Hill Housing Trust at a mid market rate, avoiding the need to pay a bank margin. Secondly, a £10m loan was arranged through The Housing Finance Corporation (THFC) and the European Investment Bank (EIB) – in May 2014 the rate on this loan was fixed for 30 years from December 2015. As a result of these measures, Duration has now increased to 9.4 years. Details of interest rate fixing by maturity are given in the following table:


Strategy	Target	At 31 March 2014	At 31 March 2013
Fixed for more than 10 years	At least 50%	55%	44%
Fixed for more than 1 year but less than 10 years	Between 0% and 50%	29%	34%
Variable	Less than 25%	16%	22%





*We aim to build new affordable housing of 3% of our existing stock each year.*





*203 new homes completed, 81 for social rent,  
52 for shared ownership and  
70 for market sale.*



Our future development plans will involve increasing our borrowings. At the year end only 49% of our rented housing stock is used to secure our current facilities and the Board considers that we have the capacity and security to support an increase in our borrowing to fund future development. The Board are pursuing plans to enable the 3% targeted level of expansion to take place without compromising compliance with existing banking covenants.

The Board monitors loan covenants on a regular basis. At 31 March 2014 they stood at:

- ▶ Interest cover - 247% (lowest permitted level 110%)
- ▶ Gearing - 50% (highest permitted level 65%)

During the year Octavia drew down the last £10m from its existing loan facility with Royal Bank of Scotland in line with its obligations and repaid £5.2m in scheduled loan repayments. Additionally, in view of the significant increase in short term deposits, £5m was repaid under revolving credit arrangements, which therefore remain available for redrawing at a later date.

Net indebtedness for the Group at 31 March 2014 stood at £103m of which £13m was funding the construction of properties under the development programme, a further £5m funding shared ownership properties unsold at that date and £1m funding properties for out-right sale. The balance of borrowing of £84m funds completed social housing properties and represents an average debt of around £20,000 per home.

## Revenue position

During the year we made an overall surplus across the group of £5.6m on an increased turnover of £59m. The figures for turnover this year are affected by the property sales at the schemes in Wembley and Shepherds Bush and they will fall back in the next twelve months.

## Impairment

During the year the remaining impairment provision of £630,000 related to the development at Elizabeth House, Wembley, was written back following the successful sale of most of the flats there.

Following a valuation of Octavia's commercial property portfolio, an impairment provision of £650,000 was established in relation to the car park at Elm Road, Wembley following disappointing levels of usage.

## Risks to the organisation

Octavia's overall approach to internal controls is described in more detail later in this report. We have identified, and put in place strategies against each of the risks that have been identified. At the year end the major risks can be considered under the headings of financial risk and those that threaten our reputation.

### Financial risks

- ▶ Inflation: our income (primarily rents) and operating costs tend to move in a linked fashion with inflation. As such the major risks come from inflation in the development process, where we take measures on individual schemes, and through Care

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*Offering personalised choice in care.*



James Hill day care



*Refurbished property in Hammersmith sold for reinvestment in other activities.*

income, where income is agreed for several years ahead.

- ▶ Interest rate risk: this is monitored and controlled through the treasury strategy described elsewhere in this report.
- ▶ Welfare reforms: the immediate effects of which have had a minimal impact on our overall finances but which we are monitoring carefully as it may well be a long term issue for the organisation.
- ▶ Project or cost overrun: individual developments are controlled through individual assigned managers and with pre set budgets and monitored monthly. Significant cost overruns are reported to the Board.
- ▶ Income shortfalls: the risk that rental income will become more difficult to collect in future. Given the proposed changes in Welfare reform this risk seems almost certain to materialise. We are monitoring closely the impact of benefit changes and investing in staff and systems to ensure that we are in the best position to deal with the issues as they develop.

**The reputational risks include:**

- ▶ Health and safety issues: we continue to place a high priority on resident safety. A separate section of this report sets out approach on this subject.
- ▶ Business continuity: we have developed plans, which are tested on a regular basis to deal with all aspects of potential threats to business continuity. We are in the process of upgrading our IT systems to further improve their resilience to

potential risks.

- ▶ Staff issues: our human resources policies and practices are well defined and we have not had any industrial tribunals in the past twelve months. Staff turnover is monitored and is currently below the sector average.
- ▶ Communications: we have developed a strategy for managing external communications including monitoring social media. During the past twelve months the Board adopted a transparency policy which sets out our overall approach to making information available.
- ▶ IT issues: as already explained in this report we are increasingly reliant on technology for the effective delivery of services. We have in place controls and systems to ensure information is available in a variety of circumstances. The Board plan to further review the Information Technology strategy during 2014.

**Value for money**

Value for Money (VFM) is a subject that has been much discussed within the Housing sector. It is a topic that has received a great deal of attention from the HCA. In 2013 we published on our website a statement of how Octavia complies with the stated regulatory requirements and will produce a further comprehensive statement before September 2014.

Our overall approach to the subject is to see VFM as fundamental to our approach to achieving the organisations objectives. The Board’s objective is to maximise the impact that it can make against our stated objectives



and with the resources available. The Board considers VFM on a regular basis, both as a stand alone item and as part of the consideration of wider aspects of our work. These considerations are informed by a long standing commitment to extensive resident engagement, which includes involvement at Board level and a strong resident voice on our Services Scrutiny panel, which helps determine an appropriate balance between service improvement, growth and cost efficiencies.

We allocate resources based on our corporate plan and financial forecasts. Both are designed to support the organisation in meeting its overall objectives. These major plans are supported by an overall budget, development strategy, care strategy, asset management strategy and service improvement plans.

In considering VFM the regulator requires organisations to optimise the return on assets. With nearly all of our homes in areas that now have high property values and as explained earlier in this report, the rental income that we charge is substantially below the market rates. This means that the social dividend on what we do is significant. At a time when property prices are rising quickly, as they have been in inner London over the past twelve months, that social return is rising quickly. Our ambition is to exploit the location of our existing stock as a base from which to provide good quality management services and thereby maximise the number of schemes which we are invited to produce in partnership with private developers

under planning gain (S106) rules. We are active in managing our portfolio where appropriate. We completed the redevelopment of one property during the year which was subsequently sold and in the process increased the sales surplus by £0.7m over and above the unimproved auctioneer's valuation.

Over the past twelve months we have completed two schemes that have included homes for outright sale and which have generated significant surpluses to support the development programme.

The costs of providing services are checked against indicators produced by Housemark. Overall efficiency gains totalling some £1.6m were achieved during the course of the year through more effective procurement, more efficient ways of working and taking advantage of opportunities to reduce net funding costs following advice from our treasury advisors. Partnership working with our contractors for day to day and major component renewals led to gains of some £0.3m in 2013/14, although much of this was used in dealing with a higher level of void works arising in the year than had been originally anticipated. Changes in the way disposals of previously rented property are managed have allowed additional gains of some £0.7m to be realised. Re-procurement of a number of services, including insurance and utilities, have led to gains of some £0.2m while more effective treasury planning has reduced net interest expenditure by £0.1m. The first phase of the Smarter Working Project, involving the introduction of a Customer Relationship Management system

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*Keeping older local people independent and active.*



*Animal therapy*



Responsive repairs

*During the year we reviewed our contracts to ensure VFM.*

and document management with workflow, went live in April 2013. The new systems enabled some efficiencies in capturing data on contacts with tenants to be realised but other planned benefits were not achieved. As explained in the section of this report on Information technology a revised approach based on Microsoft software is scheduled to come into service in the late summer of 2014.

Beyond these financial returns the core of our work has a social value. We established, support and work closely with the Octavia Foundation. During 2013/14 1,200 local people and Octavia residents were supported through the Foundation. Our care and support services also provide essential support and help to elderly and other vulnerable residents. Each of these projects helps to sustain tenancies and support independent living.

In planning ahead the key areas that we are working on include: investing in improving the energy efficiency of our buildings, reviewing further how we can exploit our asset base to develop further homes within our geographic areas and at genuinely affordable rents, reviewing our work on tackling tenancy fraud to safeguard scarce social housing and retaining a focus on supporting residents through the changes that are coming about as a result of welfare reform so that those affected can retain their tenancies.

A separate and more comprehensive report on Value for Money is available on our website ([octavia.org.uk](http://octavia.org.uk)).


## Health and safety

The Board takes seriously its legal and moral responsibilities relating to health and safety to ensure, so far as is reasonably practicable, the health, safety and welfare of all Octavia's employees, residents and others affected by our activities.

Health and safety risks are regularly reviewed by the Directors Group, the Audit Committee and the Board. Our Health and Safety Committee meets quarterly and has delegated authority from the Directors Group to oversee our strategic response to Health and Safety and reviews progress across all areas of activity.

During the past year we have expanded our in-house Health and Safety team, which now includes an experienced and qualified Health and Safety Advisor and a Fire Safety Officer. Particular emphasis has been placed on the management of health and safety risks within our residential property stock, including an extensive programme of fire safety works. Although it is only one single aspect of health and safety, at the end of the year all but three of our domestic gas boilers had a current CP12 safety certificate; those outstanding have since been completed. At the year end we had also completed 100% of scheduled fire risk assessments.





*We are preparing to support an increasing aging population. Over the last 10 years we have developed 5 extra care facilities. An additional 36-home scheme is underway in Hounslow for local older people.*





*165 adaptations made throughout the year, keeping people independent and reducing the demand on other public health services and care facilities.*

## Corporate Governance

Octavia is governed by a Board which comprises 10 non executives (of whom three are residents) plus the Chief Executive. These Board members are listed on page 5 in this report. Each non-executive Board member holds one fully paid share. Octavia has adopted the National Housing Federation Code of Governance in so far as its recommendations are relevant and appropriate to the organisation.

The day to day operational responsibility for Octavia is delegated to a Leadership team that includes the Chief Executive and Directors of Housing and Care Services, Asset Management, Development and Finance (Directors Group).

The Board is supported by various panels and committees all of which include Board members and other independent members. These are a development panel, services scrutiny panel, complaints panel (which is independently chaired), shops group, audit committee, and the nominations and remuneration committee. An Octavia main board member is on the board of each of its subsidiaries, in most cases as Chair.

During the year the Board appointed an additional member (Debbie Sorkin) with specialist experience of care and support. Since the year end two of the resident Board members (Sylvia Warman- James and Jean Roch) have stood down and, after a successful recruitment process two new appointments of resident Board members made (Rosalind Stevens and Dr Aldo Williams).

Octavia was last rated by the HCA under its regulatory review system in July 2013 as being grade one for both governance and viability – the next review is due shortly.

Details of the remuneration paid to and the activities of individual board members are given at the end of these financial statements.

## Internal controls statement

As one aspect of its work the Board has overall responsibility for establishing and maintaining Octavia's system of internal controls and for reviewing its adequacy and effectiveness. The system for internal control covers all aspects of Octavia's activities, not just internal financial control.

The Board recognises that no system of internal control can give absolute assurance against financial misstatement or loss. The system is designed to manage rather than eliminate risk, and provide reasonable assurance that key business objectives will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information, and the safeguarding of Octavia's assets and interests.

Each year the Board requires the Chief Executive to prepare a detailed report on Risk Management and Internal Control Systems. This report of the Board has been based on this statement.

Some of the key elements of the internal control framework that have

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*Meeting and engaging with residents keeps our services relevant.*



*Community days*





Outreach service

*Connecting isolated or older people with community services and reducing the strain on the NHS.*

been established by the Board are as follows:

- ▶ the adoption of a business plan and 30-year Long Term Financial Plan model which is regularly updated and reviewed by the Board;
- ▶ a comprehensive budgeting process, the production and review of monthly management accounts and key performance indicators for all areas of operational activity, including quarterly external reporting;
- ▶ the review and approval of the Governance Manual and Financial Regulations of the organisation and a clear set of delegated authorities detailing responsibilities for expenditure and authorisation of payments;
- ▶ the incorporation of key risks into a Risk Map and the consideration of this and significant risks on individual projects by the Board;
- ▶ a programme of internal audit work which is linked to the Risk Map and which is reported regularly to the Audit Committee and annually to the Board. The Audit Committee also regularly monitors the implementation of external and internal audit recommendations;
- ▶ job descriptions which clearly allocate responsibilities to manage risk;
- ▶ a programme of Service Improvement Reviews to seek continuous improvement;
- ▶ an operational work plan which seeks to ensure that our IT systems are reliable and efficient; and

- ▶ processes and systems for appraising development projects via the officers Project and Approvals Panel, Directors Group and the Board.

There is significant emphasis on the Board's internal control responsibilities with regard to fraud. Octavia's anti-fraud policy expresses a commitment to the highest ethical standards.

The policy sets out:

- ▶ the importance of operating procedures and control systems for detecting and deterring fraud, reinforced by a culture of openness and honesty among staff;
- ▶ Octavia's policies on whistle-blowing and concerning the investigation of fraud (whether suspected, attempted or actual);
- ▶ the disciplinary procedures which may follow the discovery of a fraud or attempted fraud and reporting actions (including to the HCA and to the police where appropriate);

Octavia's policy is to seek recovery of losses from those responsible, report them to the police and to maintain fidelity cover against fraud. While the risk of fraud being committed can never be fully eliminated, in the opinion of the Board a strong internal control system reduces the opportunity for fraud and increases the likelihood that attempted frauds will be detected. Octavia maintains a fraud register which is reviewed periodically by the Audit Committee and annually by the Board.

## External Review

The work of our internal and external auditors is an important part of the control environment. There is a programme of internal audit visits each year and the risk of fraud is always considered when deciding on the scope of work for each visit. During the year, Mazars carried out their planned programme of internal audit reviews and BDO LLP carried out their work as external auditors.

The Board confirms that for the year ended 31 March 2014 and up to the date of the approval of these financial statements, there have been no regulatory concerns which have led any regulatory authority to intervene in the affairs of Octavia, nor are there significant problems in relation to failures of internal controls which required disclosure in the financial statements.

## Auditors

The Board will recommend the re-appointment of BDO LLP at the Annual General Meeting.

## Looking forward

The next few years offer Octavia a number of opportunities but will also present some challenges.

### The opportunities include:

- building on the existing momentum for improving and developing services to residents, tenants and other customers, whether in terms of mainstream housing services, related support services (such as financial and employment advice) or through additional care and support;

- working with developers in central London on new S106 development opportunities and with the Greater London Authority to develop more cost effective and sustainable housing for Londoners;
- continuing the success that we have had in the past twelve months in generating surpluses from developments of housing for sale by our subsidiary, Octavia Living Ltd; and
- the potential to improve our operating efficiency through the “Smarter Working Project” which is currently under way through better use of Information Technology to both develop services and reduce costs.

### The challenges include:

- adapting the organisation as welfare reform takes effect to support those residents affected appropriately. Part of the challenge on this front is to maintain a rent policy which remains affordable to our prospective tenants in the high value but popular areas in which we operate;
- dealing with the new higher levels of borrowing that will arise from the lower capital grant rates that will apply for future development and the pressures on gearing levels if development of social rented housing is to continue beyond 2018;
- the increasing interest charges that are expected over the next few years as market interest rates rise from the historically low levels we are experiencing at present, coupled with pressures from providers of loan finance to increase their margins; and

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*One of four Octavia extra care facilities.*



*Highlever Road resident*



- ▶ ensuring that we maintain, and over time, further improve, our existing property portfolio at a reasonable cost to ensure that this resource is available for the long term.

The Board are optimistic about Octavia's ability to take advantage of these opportunities and deal with the challenges.

## Andrew Herbert

### Chairman

Statement approved by the Board  
21 July 2014





## Antonio

*"I had been out of work for three months and I was beginning to struggle to pay my bills. I was beginning to doubt my capabilities and I felt useless. The Octavia employment scheme helped me. We worked on my CV together to make sure I made the best possible impression to potential employers and I completed a customer service training programme. Meeting other people in a similar position to me reassured me that I wasn't the only unemployed person out there, and that it wouldn't be that way forever! I am working again now at management level. I am so grateful".*



# STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD OF MANAGEMENT'S REPORT AND THE FINANCIAL STATEMENTS

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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The board members 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 group and of the surplus or deficit of the association and group 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; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association and group will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the association's and group's transactions and disclose with reasonable accuracy at any time the financial position of the association and group 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

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*Our free service to help older or disabled people with their gardens.*



Garden Guardians





Merchant Square

Octavia committed to build 3% new homes.

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 group 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 Octavia'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 Octavia's website is the responsibility of the board members. The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.



Affordable housing, Brightwells, Fulham

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTAVIA HOUSING

We have audited the financial statements of Octavia Housing for the year ended 31 March 2014 which comprise the consolidated and association income and expenditure accounts, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

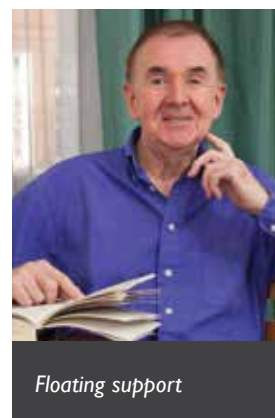
## Opinion on financial statements

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 2014 and of the group's and parent association's surplus for the year then ended;

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*141 tenants have received help from our floating support team over the year.*







*Illumina, Wandsworth*

*New development providing shared ownership and social rented homes. Phase two is approaching mid 2014.*

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

- 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.

### 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;

**BDO LLP, statutory auditor**

**Gatwick, West Sussex**

**United Kingdom**

**Date 28 July 2014**

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

# INCOME AND EXPENDITURE ACCOUNTS

For the year ended 31 March 2014

		Octavia	Group	Octavia	Group
		2014	2014	2013	2013
	Note	£000	£000	£000	£000
<b>Turnover</b>	2	<b>48,496</b>	<b>58,503</b>	32,332	32,516
Cost of sales	2	(15,285)	(23,872)	(1,674)	(1,674)
Operating costs	2	(28,151)	(26,552)	(25,254)	(24,196)
<b>Operating surplus</b>	2	<b>5,060</b>	<b>8,079</b>	5,404	6,646
Surplus on disposal of fixed assets	20	<b>1,091</b>	<b>1,091</b>	1,980	1,980
Interest payable and similar charges	6	(3,914)	(3,641)	(3,510)	(3,283)
Interest receivable		<b>358</b>	<b>85</b>	341	114
<b>Surplus for the year</b>	7/18	<b>2,595</b>	<b>5,614</b>	4,215	5,457

There is no difference between the surplus for the year reported above and its historical cost equivalent.

All results arise from continuing operations.

There are no gains or losses in the current or prior year other than those reported in the income and expenditure account.



# BALANCE SHEETS

**As at 31 March 2014**

		<b>Octavia</b>	<b>Group</b>	<b>Octavia</b>	<b>Group</b>
		<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
	Note	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Tangible fixed assets</b>					
Housing properties	8	<b>394,465</b>	<b>392,478</b>	383,957	383,497
Social housing grant	8	<b>(203,461)</b>	<b>(203,461)</b>	(198,076)	(198,076)
Depreciation and impairment	8	<b>(20,206)</b>	<b>(19,838)</b>	(17,904)	(17,904)
	8	<b>170,798</b>	<b>169,179</b>	167,977	167,517
<b>Other tangible fixed assets</b>	9	<b>12,357</b>	<b>12,357</b>	13,122	13,122
<b>Investment in subsidiaries</b>	10	<b>10</b>	<b>-</b>	10	-
		<b>183,165</b>	<b>181,536</b>	181,109	180,639
<b>Current assets</b>					
Stock	11	<b>6,475</b>	<b>10,633</b>	18,941	26,536
Debtors – amounts receivable within one year	12	<b>4,284</b>	<b>4,173</b>	12,242	5,085
Debtors – amounts receivable after one year	12	<b>3,685</b>	<b>-</b>	-	-
Short term deposits	13	<b>27,644</b>	<b>32,544</b>	9,501	9,500
Cash at bank and in hand		<b>2,492</b>	<b>3,223</b>	4,446	4,530
		<b>44,580</b>	<b>50,573</b>	45,130	45,651
<b>Creditors: amounts falling due within one year</b>	14	<b>(18,957)</b>	<b>(19,519)</b>	(21,221)	(20,489)
<b>Net current assets</b>		<b>25,623</b>	<b>31,054</b>	23,909	25,162
<b>Total assets less current liabilities</b>		<b>208,788</b>	<b>212,590</b>	205,018	205,801
<b>Creditors: amounts falling due after more than one year</b>					
	15	<b>135,304</b>	<b>135,304</b>	134,129	134,129
<b>Capital and reserves</b>					
Non-equity share capital	17	<b>1</b>	<b>1</b>	1	1
Revenue reserve	18	<b>73,483</b>	<b>77,285</b>	70,888	71,671
		<b>208,788</b>	<b>212,590</b>	205,018	205,801

These financial statements were approved and authorised for issue by the Board on the 21 July 2014 and signed on its behalf by:

**A Herbert**  
Chairman

**C E Hughes**  
Secretary

**S Porter**  
Treasurer

*The notes on pages 46 to 75 form part of these financial statements*

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2014

		2014	2014	2013	2013
	Note	£000	£000	£000	£000
<b>Net cash inflow from operating activities</b>	21(a)		<b>28,936</b>		610
<b>Returns on investments and servicing of finance</b>					
Interest received		85		113	
Interest paid		(3,688)		(3,283)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			<b>(3,603)</b>		(3,170)
			<b>25,333</b>		(2,560)
<b>Capital expenditure</b>					
Acquisition and improvement of housing properties		(12,848)		(20,034)	
Social Housing Grant received		6,329		4,098	
Proceeds of sale of fixed assets		4,175		3,844	
Purchase of other fixed assets		(476)		(1,807)	
<b>Net cash outflow from capital expenditure</b>			<b>(2,820)</b>		(13,899)
<b>Management of liquid resources</b>					
Money market transactions			(23,044)		(1,082)
<b>Financing</b>					
Loan principal repaid		(10,637)		(4,347)	
Loan issue costs		(139)		(145)	
Loan principal received		10,000		25,000	
<b>Net cash inflow from financing</b>			<b>(776)</b>		20,508
<b>(Decrease)/increase in cash during period</b>	21(b)		<b>(1,307)</b>		2,967

The notes on pages 46 to 75 form part of these financial statements





*Value for money isn't what we spend,  
its about what we achive.*

# NOTES

(forming part of the financial statements)

## I Principal accounting policies

The financial statements have been prepared under historic cost accounting rules and in accordance with applicable accounting standards and the Statement of Recommended Practice, 'Accounting by Registered Social Housing Provider' (SORP 2010). The financial statements also comply with the Accounting Direction for Private Registered Providers of Social Housing 2012. The principal accounting policies have been consistently applied from one year to another and a summary of the principal accounting policies is set out below.

## Going concern

The Board have noted that the projected cash flow from operations and sales taken together with undrawn and secured loan facilities significantly exceed the projected cash requirements for operating expenditure and capital investment for at least the next eighteen months. The Board have also noted that business planning projections indicate that Octavia should be operating comfortably within its loan covenants for the next eighteen months. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## Basis of consolidation

The consolidated financial statements incorporate the financial statements

of Octavia Housing and its subsidiary undertakings, Kensal Enterprises Limited, Octavia Development Services Limited, Octavia Living Limited and Octavia Hill Limited in accordance with FRS 2 'Accounting for Subsidiary Undertakings'. The consolidated financial statements have been prepared under the historic cost convention.

## Housing Properties

Housing properties are stated at cost less Social Housing Grant (SHG) and other grants, depreciation and impairment.

The cost of housing properties includes the following:

- (i) Cost of acquiring land and buildings
- (ii) Development expenditure
- (iii) Cost of replacing principal components
- (iv) Interest charges incurred during the development period
- (v) Adjustments, where appropriate, to scheme costs to reflect cross subsidy on mixed tenure development as required by the 2010 SORP (see Mixed Tenure Development accounting policy below).
- (vi) Cost of improvements

Improvements are works which result

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*Looking for new ways to develop in London.*



*New homes, Wembley*





*Improving HR*

*Building a staff base reflective of our values- Reliable, Responsive and Respectful.*

in an increase in the net rental income, a reduction in future maintenance costs, or result in an extension of the useful economic life of the property, beyond its previously assessed standard of performance, and are capitalised accordingly. Only the direct overhead costs associated with new developments or improvements are capitalised.

Housing Properties are classified in Note 8 as being “completed properties” or “under construction”. Scheme costs are transferred from “under construction” to “completed properties” at handover.

### Impairment

A review of properties for indicators of impairment is undertaken annually. If housing properties have suffered impairment, the appropriate fall in value is recognised after deducting any Social Housing Grant and is charged to the income and expenditure account. Impairment provisions are not made where a planned subsidy meets internal criteria set by the Group for approval of such schemes. Assessing impairment requires the use of estimation techniques. In making this assessment, management considers publicly available information, external valuations and internal forecasts on future activity.

### Depreciation

#### (i) Housing land and buildings:

The Group depreciates housing properties held on long leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component

life envisaged in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component.

Freehold land is not depreciated.

Social Housing Grant (and other capital grants) is allocated across the components for the purpose of calculating depreciation where appropriate.

Freehold housing properties are depreciated by component on a straight line basis over the estimated useful economic lives of the components as follows:

Boilers	15 years
Central heating systems	30 years
Kitchens	20 years
Bathrooms	30 years
Service chargeable components – short life	10 years
Service chargeable components – long life	30 years
Externals	30 years
Roofs	50 years
Windows and doors	30 years
Electrics	30 years
Structure	100 years
Energy improvements	20 years

The costs of major repairs to replace or renew components in rental properties are fully capitalised and depreciated as components (see Works to existing properties accounting policy note). The remaining net book value, if any, when components are replaced or renewed is charged as accelerated depreciation in the income and expenditure account.

Octavia’s retained investment in shared ownership properties is not depreciated



as residual values are generally greater than the historic book cost.

## (ii) Other fixed assets:

Depreciation is charged on a straight-line basis from the month of purchase over the expected useful lives of the assets at the following rates:

- (a) Office accommodation is depreciated at 1.33% per annum of the cost.
- (b) Office furniture and fittings are depreciated at 10% per annum of the cost.
- (c) Computer equipment is depreciated at 25% per annum of the cost.
- (d) Computer software costing more than £10,000 is depreciated at 33.3% per annum of the cost.
- (e) Motor vehicles are depreciated at 25% per annum of the cost.
- (f) Commercial properties are depreciated at 2% per annum of the cost.
- (g) Shop refurbishment costs are depreciated at 20% per annum or over the remaining term of the lease if longer than 5 years.

## Social housing grant (SHG) and other grants

Where developments have been financed wholly or partly by SHG and other grants, the cost of development is shown gross with the amount of grant as a deduction. This grant may become repayable when housing properties are sold. SHG released on the sale of a property may be repayable but is normally available to be recycled and

is credited to a Recycled Capital Grant Fund or Disposals Proceeds Fund and is included in the balance sheet as creditors.

## Mixed tenure development

Octavia develops some schemes which comprise more than one tenure type (for example, schemes with properties both for rent and for shared ownership and also properties for outright sale).

Where there is a surplus on one tenure type (i.e. the sales proceeds plus value in use exceeds the cost net of grant) and a shortfall on another (the cost net of grant exceeds the value in use), then only the overall net surplus on the scheme is recognised as properties are sold. This reflects the existence of cross-subsidy between scheme elements.

The surplus recognised on first tranche sales of shared ownership units and outright sales is restricted to the overall surplus on that development scheme.

This cross-subsidy is accounted for as an increase in the cost of sales and a reduction in the remaining fixed asset cost of the development in the balance sheet.

## Capitalisation of development department costs

The costs of the development team salaries (excluding overheads, time spent on abortive schemes and net of the relevant proportion of development fees earned) are capitalised in the costs of schemes developed each year.

## Shared ownership properties

*Improving homes for changing needs.*



*Adaptations service*



Philip, shared owner

*This year we have helped 52 people get a shared ownership property.*

Under Shared Ownership arrangements, the Group disposes of a long lease to the occupier; the initial lease premium paid for the first tranche is for between 25% and 75% of the value. The occupier has the right to purchase further proportions up to 100%. A shared ownership property comprises two assets: that to be disposed of in the first tranche sale, which is recorded as a current asset and stated at the lower of cost and net realisable value; and that retained by the Group, which is recorded as a fixed asset in the same manner as for general needs housing properties. Proceeds of sale for first tranches are accounted for as turnover in the income and expenditure account, with the apportioned cost being shown as cost of sales within operating results. Subsequent tranches sold ("staircasing") are reflected in the income and expenditure account as a surplus or deficit on sale of housing properties.

### Works to existing properties

The Association undertakes a major programme of principal component replacements which ensures that the stock meets or exceeds the Decent Homes Standard. The costs are fully capitalised according to the principles of component accounting. Any other major repair expenditure is currently capitalised to the extent that it extends the useful life of the property or reduces future maintenance costs. Cyclical repair costs are charged to the Income and Expenditure account when incurred.

### Projects managed by agents

Octavia owns a number of properties

used for specialist supported housing, which are run by outside agencies. Where the agencies carry the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Association. Other income and expenditure of the hostels is excluded from the income and expenditure account.

### Investments

Investments in subsidiary undertakings are stated at cost less any impairment.

### Current assets – Stock – housing properties

Stock – housing properties comprises the proportion of the cost of shared ownership properties that is expected to be sold in first tranche sales and the cost of outright sale properties. These are split between completed properties and properties under construction. The cost of stock includes acquisition and development costs together with capitalised interest and administration costs. Stock is stated at the lower of cost and net realisable value.

### Current assets – Stock – charity shops

Donated goods are held at nil cost. Traded goods are shown at the lower of cost and net realisable value

### Bad debts

A full provision is made against former tenant arrears. A provision against arrears of current tenancies is made based on the age of the outstanding arrears.

## Loan arrangement fees

The costs of arranging loan finance are treated as deferred financing costs and netted against the loan liability in the Balance Sheet. They are charged to the Income and Expenditure account over the term of the loan rather than in the year in which the cost is incurred.

## Pensions

Octavia participates in a multi employer defined benefits final salary scheme. Contributions to the scheme are charged to the Income and Expenditure Account so as to spread the costs over the members' working lives. Octavia also operates a defined contribution scheme. Pension costs payable to that scheme are charged to the income and expenditure account on an incurred basis.

## Provisions

Provisions have been included in the accounts only to the extent that there is a legal or constructive obligation to transfer economic benefits.

## Turnover

Turnover represents rental income receivable, service charges receivable, first tranche sales of Shared Ownership and outright sales properties, fees, income from the Octavia charity shops and revenue grants from local and central government.

## Value added tax

Octavia charges value added tax (VAT) on some of its income and is able to recover a small part of the VAT incurred on expenditure. The financial

statements include VAT to the extent that it is incurred by Octavia 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.

## Taxation

Octavia Housing is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Interest payable

Interest payable is charged to the income and expenditure account on an accruals basis.

Interest is capitalised on borrowings to finance developments during the period of construction prior to completion.

## Financial Instruments

The impact of financial instruments such as interest rate swaps is recorded in the Income and Expenditure account only in respect of current passing payments and on an accruals basis. Neither the market values of such instruments nor movements in them during the year are recorded in the Balance Sheet or the Income and Expenditure account, but disclosed by way of a note.

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*Recently redeveloped to offer improved facilities and a day centre for older local people.*



James Hill House





*Phase 2 Spectra*

*Further homes at Wandsworth village, Illumina planned.*

## Cash and liquid resources

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing

or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying value or traded in an active market. Liquid resources comprise term deposits of less than one year.



*Elizabeth House, Wembley, completed 2013*





### **Mrs Dorothy Shea, sheltered housing**

*I am 95 years old. I grew up across the river in Lambeth – I was born just beside Battersea Park. My husband was born in Westminster and after the war we moved back here. I have lived here in Eileen Anderson Court since it was built, nearly 30 years ago. Of course I was active when I first got here; I managed to last that way until I was 94. Goodness knows how! I see a carer in the morning, a carer in the evening, and since I came out of hospital (after a recent fall) I have had nurses visiting every day. It is absolutely wonderful to be looked after when you haven't got anyone.*







## 2. TURNOVER AND OPERATING SURPLUS

### 2 (a) Group

	2014	2014	2014	2014	2013	2013	2013	2013
	Turnover	Cost of sales	Operating costs	Operating surplus (deficit)	Turnover	Cost of sales	Operating costs	Operating surplus (deficit)
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Income and expenditure from social housing lettings</b>								
General needs housing (note 3)	22,405	-	(17,538)	4,867	20,879	-	(16,101)	4,778
Leasehold and shared ownership (note 3)	1,832	-	(614)	1,218	1,610	-	(564)	1,046
Supported housing (note 3)	3,399	-	(3,045)	354	3,156	-	(2,532)	624
	<b>27,636</b>	<b>-</b>	<b>(21,197)</b>	<b>6,439</b>	<b>25,645</b>	<b>-</b>	<b>(19,197)</b>	<b>6,448</b>
<b>Income and expenditure from non social housing lettings</b>								
Market renting activities	141	-	(29)	112	105	-	(48)	57
<b>Other income and expenditure</b>								
<b>Social housing activities</b>								
Shared ownership sales	4,530	(3,759)	-	771	2,789	(2,674)	-	115
Property development costs	170	-	(936)	(766)	47	-	(931)	(884)
Release of provision against properties for sale	-	-	-	-	-	1,000	-	1,000
Supporting People	346	-	(294)	52	315	-	(280)	35
<b>Non social housing activities</b>								
Properties developed for sale	22,124	(20,113)	-	2,011	-	-	-	-
Commercial property	746	-	(284)	462	643	-	(364)	279
Impairment of commercial property	-	-	(650)	(650)	-	-	-	-
Community development	-	-	(62)	(62)	-	-	(52)	(52)
Lunch club and day centres	537	-	(528)	9	552	-	(498)	54
Octavia charity shops	2,273	-	(2,272)	1	2,420	-	(2,416)	4
Donation to Octavia Foundation	-	-	(300)	(300)	-	-	(410)	(410)
	<b>58,503</b>	<b>(23,872)</b>	<b>(26,552)</b>	<b>8,079</b>	<b>32,516</b>	<b>(1,674)</b>	<b>(24,196)</b>	<b>6,646</b>

## TURNOVER AND OPERATING SURPLUS CONTINUED

### 2 (b) Octavia Housing

	2014	2014	2014	2014	2013	2013	2013	2013
	Turnover	Cost of sales	Operating costs	Operating surplus	Turnover	Cost of sales	Operating costs	Operating surplus
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Income and expenditure from social housing lettings</b>								
General needs housing (note 3)	22,405	-	(17,906)	4,499	20,879	-	(16,101)	4,778
Leasehold and shared ownership (note 3)	1,832	-	(614)	1,218	1,610	-	(564)	1,046
Supported housing (note 3)	3,399	-	(3,045)	354	3,156	-	(2,532)	624
	<b>27,636</b>	<b>-</b>	<b>(21,565)</b>	<b>6,071</b>	<b>25,645</b>	<b>-</b>	<b>(19,197)</b>	<b>6,448</b>
<b>Income and expenditure from non social housing lettings</b>								
Market renting activities	141	-	(15)	126	105	-	(48)	57
<b>Other income and expenditure</b>								
<b>Social housing activities</b>								
Shared ownership sales	4,530	(3,759)	-	771	2,789	(2,674)	-	115
Property development	170	-	(936)	(766)	47	-	(929)	(882)
Release of provision against properties for sale	-	-	-	-	-	1,000	-	1,000
Supporting People	346	-	(294)	52	315	-	(280)	35
Gift aid donation from subsidiaries	339	-	-	339	-	-	-	-
<b>Non social housing activities</b>								
Properties developed for sale	11,944	(11,526)	-	418	-	-	-	-
Commercial property	746	-	(284)	462	643	-	(364)	279
Impairment of commercial property	-	-	(650)	(650)	-	-	-	-
Community development	-	-	(62)	(62)	-	-	(52)	(52)
Lunch club and day centres	537	-	(528)	9	552	-	(498)	54
Octavia charity shops	2,107	-	(2,194)	(87)	2,236	-	(2,231)	5
Donation to Octavia Foundation	-	-	(300)	(300)	-	-	(410)	(410)
Donation to Octavia Hill Limited	-	-	(1,323)	(1,323)	-	-	(1,245)	(1,245)
	<b>48,496</b>	<b>(15,285)</b>	<b>(28,151)</b>	<b>5,060</b>	<b>32,332</b>	<b>(1,674)</b>	<b>(25,254)</b>	<b>5,404</b>



## 3 INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

### 3 (a) Group

	2014	2014	2014	2014	2013
	General needs housing	Home ownership (inc shared ownership)	Supported and extra care housing	Total	Total
	£000	£000	£000	£000	£000
<b>Income</b>					
Rent receivable	20,550	1,343	1,337	23,230	21,787
Service charges income	1,855	489	388	2,732	2,270
	22,405	1,832	1,725	25,962	24,057
Supporting people fees receivable	-	-	173	173	173
Care fees receivable	-	-	1,501	1,501	1,415
<b>Income from Social Housing lettings</b>	<b>22,405</b>	<b>1,832</b>	<b>3,399</b>	<b>27,636</b>	<b>25,645</b>
<b>Expenditure on letting activities</b>					
Service charges costs	2,200	369	247	2,816	2,290
Extra care and supported costs	-	-	1,703	1,703	1,555
Management	3,895	240	615	4,750	4,452
Routine maintenance	5,061	-	244	5,305	5,041
Cyclical maintenance	3,058	-	144	3,202	2,394
Major repairs	709	-	-	709	296
Rent losses from bad debts	90	5	22	117	91
Depreciation on housing properties	3,155	-	70	3,225	3,078
Release of provision against rented properties	(630)	-	-	(630)	-
<b>Total expenditure on Social Housing lettings</b>	<b>17,538</b>	<b>614</b>	<b>3,045</b>	<b>21,197</b>	<b>19,197</b>
<b>Operating surplus on Social Housing lettings</b>	<b>4,867</b>	<b>1,218</b>	<b>354</b>	<b>6,439</b>	<b>6,448</b>
Rent losses from voids	(253)	-	(42)	(295)	(169)

### Housing stock at 31 March

	<b>Octavia and Group</b>	<b>Octavia and Group</b>
	<b>2014</b>	2013
At 31 March	<b>Number</b>	Number
General needs		
Social Rented	<b>3,323</b>	3,294
Affordable Rented	<b>72</b>	44
Supported housing		
Managed by Octavia	<b>289</b>	283
Managed by agents	<b>86</b>	90
Shared Ownership and Rent to Homebuy	<b>317</b>	255
Total social housing accommodation	<b>4,087</b>	3,966
Other leaseholder	<b>194</b>	148
Other properties	<b>11</b>	11
	<b>4,292</b>	4,125

## 3 (b) Octavia

	2014	2014	2014	2014	2013
	General needs housing	Home ownership (inc shared ownership)	Supported and extra care housing	Total	Total
	£000	£000	£000	£000	£000
<b>Income</b>					
Rent receivable	20,550	1,343	1,337	23,230	21,787
Service charges income	1,855	489	388	2,732	2,270
	22,405	1,832	1,725	25,962	24,057
Supporting people fees receivable	-	-	173	173	173
Care fees receivable	-	-	1,501	1,501	1,415
<b>Income from Social Housing lettings</b>	<b>22,405</b>	<b>1,832</b>	<b>3,399</b>	<b>27,636</b>	<b>25,645</b>
<b>Expenditure on letting activities</b>					
Service charges costs	2,200	369	247	2,816	2,290
Extra care and supported costs	-	-	1,703	1,703	1,555
Management	3,895	240	615	4,750	4,452
Routine maintenance	5,061	-	244	5,305	5,041
Cyclical maintenance	3,058	-	144	3,202	2,394
Major repairs	709	-	-	709	296
Rent losses from bad debts	90	5	22	117	91
Depreciation on housing properties	3,155	-	70	3,225	3,078
Impairment of rented properties	368	-	-	368	-
Release of provision against rented properties	(630)	-	-	(630)	-
<b>Total expenditure on Social Housing lettings</b>	<b>17,906</b>	<b>614</b>	<b>3,045</b>	<b>21,565</b>	<b>19,197</b>
<b>Operating surplus on Social Housing lettings</b>	<b>4,499</b>	<b>1,218</b>	<b>354</b>	<b>6,071</b>	<b>6,448</b>
<b>Rent losses from voids</b>	<b>(253)</b>	<b>-</b>	<b>(42)</b>	<b>(295)</b>	<b>(169)</b>



## 4 BOARD AND EXECUTIVE OFFICERS' EMOLUMENTS

	Octavia and Group	Octavia and Group
	2014	2013
	£000	£000
Aggregate emoluments including pension contributions paid to 5 (2013:5) executive officers.	565	558
Aggregate emoluments paid to 9 (2013:9) Board members	54	55
Emoluments of highest paid officer excluding pension contributions	130	127
Contributions to pension fund	14	12

The Chief Executive is a member of the Social Housing Pension Scheme. He is an ordinary member of this scheme and no enhanced or special terms apply. Octavia does not make any further contribution to an individual pension arrangement for the Chief Executive.

## 5 EMPLOYEE INFORMATION

The average weekly number of persons (including officers and senior executives) employed during the year were as follows

	2014 Number	2013 Number
	2014	2013
Full time employment	226	223
Part time employment - full time equivalents	43	37
	269	260

Full time equivalents are based on a standard working week of 35 to 39 hours

The total staff costs during the year were as follows:

	Octavia	Group	Octavia	Group
	2014 £000	2014 £000	2013 £000	2013 £000
Wages and salaries	7,766	7,887	7,431	7,440
Social security costs	747	747	676	696
Other pensions costs	331	335	303	303
	8,844	8,969	8,410	8,439

The remuneration paid to higher paid staff, excluding pension contributions fell in the following bands:

	Octavia and Group	Octavia and Group
	2014	2013
£60,001 to £70,000	7	4
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1
£100,001 to £110,000	2	2
£120,001 to £130,000	1	1

## 6 INTEREST PAYABLE AND SIMILAR CHARGES, INTEREST RECEIVABLE

	Octavia 2014	Group 2014	Octavia 2013	Group 2013
	£000	£000	£000	£000
<b>Interest payable</b>				
Interest payable on bank and other loans	4,872	4,872	4,723	4,723
Less: Interest capitalised at an average rate of 4.5% (2013: 4.5%) on housing properties under construction	(958)	(1,231)	(1,213)	(1,440)
	3,914	3,641	3,510	3,283
<b>Interest receivable</b>				
Interest receivable on bank and building society deposits	85	85	114	114
Interest receivable from subsidiary	273	-	227	-
	358	85	341	114

## 7 SURPLUS FOR THE YEAR

	<b>Octavia and Group 2014</b>	<b>Octavia and Group 2013</b>
	<b>£000</b>	<b>£000</b>
<b>The surplus for the year is stated after charging/(crediting) :</b>		
Impairment of commercial properties	<b>650</b>	-
Depreciation on housing properties Annual charge	<b>2,891</b>	2,804
Accelerated depreciation on component replacements	<b>334</b>	286
Depreciation on other fixed assets	<b>591</b>	393
Surplus on disposal of housing properties	<b>(1,358)</b>	(1,980)

	<b>Octavia 2014</b>	<b>Group 2014</b>	<b>Octavia 2013</b>	<b>Group 2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Auditors remuneration (excluding VAT)</b>				
Audit of these financial statements	<b>40</b>	<b>45</b>	40	45
Other services relating to taxation	<b>7</b>	<b>7</b>	-	-



## 8 FIXED ASSETS – HOUSING PROPERTIES

Group	Completed housing properties	Completed shared ownership properties	housing properties under construction	Shared ownership properties under construction	Group total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 April 2013	318,823	40,383	15,207	9,084	383,497
Additions during year					
- Construction	-	-	6,160	4,594	10,754
- Replaced components	1,252	-	-	-	1,252
- Improvements	-	841	-	-	841
Completions during year	11,580	7,666	(11,580)	(7,666)	-
Disposables during the year					
- Properties	(1,000)	(1,855)	-	-	(2,855)
- Components replaced	(1,011)	-	-	-	(1,011)
At 31 March 2014	329,644	47,035	9,787	6,012	392,478
<b>Social Housing Grant</b>					
At 1 April 2013	178,612	14,159	3,945	1,360	198,076
Additions during year	140	(39)	4,921	1,370	6,392
Completions during year	6,426	2,067	(6,426)	(2,067)	-
Recycled on disposals	(70)	(542)	-	-	(612)
Written off on components replaced	(395)	-	-	-	(395)
At 31 March 2014	184,713	15,645	2,440	663	203,461
<b>Depreciation and Impairment</b>					
At 1 April 2013	17,208	66	630	-	17,904
Annual charge	2,891	-	-	-	2,891
Impairment	-	(6)	(630)	-	(636)
Released on replacement of components	(282)	-	-	-	(282)
Released on disposal	(39)	-	-	-	(39)
At 31 March 2014	19,778	60	-	-	19,838
<b>Net book value at 31 March 2014</b>	<b>125,153</b>	<b>31,330</b>	<b>7,347</b>	<b>5,349</b>	<b>169,179</b>
Net book value at 31 March 2013	123,003	26,158	10,632	7,724	167,517

	Group 2014	Group 2013
	£000	£000
<b>Housing properties net book values comprise</b>		
Freehold land and buildings	130,029	132,229
Leasehold properties	39,150	35,288
	<b>169,179</b>	<b>167,517</b>

<b>Octavia</b>	Completed housing properties	Completed shared ownership properties	housing properties under construction	Shared ownership properties under construction	Group total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 April 2013	319,283	40,383	15,207	9,084	383,957
Additions during year					
- Construction	-	-	7,687	4,594	12,281
- Replaced components	1,252	-	-	-	1,252
- Improvements	-	841	-	-	841
Completions during year	12,967	7,666	(12,967)	(7,666)	-
Disposables during the year					
- Properties	(1,000)	(1,855)	-	-	(2,855)
- Components replaced	(1,011)	-	-	-	(1,011)
At 31 March 2014	331,491	47,035	9,927	6,012	394,465
<b>Social Housing Grant</b>					
At 1 April 2013	178,612	14,159	3,945	1,360	198,076
Additions during year	140	(39)	4,921	1,370	6,392
Completions during year	6,426	2,067	(6,426)	(2,067)	-
Recycled on disposals	(70)	(542)	-	-	(612)
Written off on components replaced	(395)	-	-	-	(395)
At 31 March 2014	184,713	15,645	2,440	663	203,461
<b>Depreciation and Impairment</b>					
At 1 April 2013	17,208	66	630	-	17,904
Annual charge	2,891	-	-	-	2,891
Impairment	368	(6)	(630)	-	(268)
Released on replacement of components	(282)	-	-	-	(282)
Released on disposal	(39)	-	-	-	(39)
At 31 March 2014	20,146	60	-	-	20,206
<b>Net book value at 31 March 2014</b>	<b>126,632</b>	<b>31,330</b>	<b>7,487</b>	<b>5,349</b>	<b>170,798</b>
Net book value at 31 March 201	123,463	26,158	10,632	7,724	167,977

	<b>Octavia 2014</b>	Octavia 2013
	£000	£000
<b>Housing properties net book values comprise</b>		
Freehold land and buildings	131,648	132,689
Leasehold properties	39,150	35,288
	<b>170,798</b>	167,977

Given Octavia's long held policy of capitalising the finance costs associated with carrying out development activity, it is not possible to disclose the aggregate amount of finance costs in the cost of housing properties prior to 2002. The cumulative interest capitalised since 2002 is £2,884k (2013: £1,926k)

Octavia's completed housing and equity in shared ownership properties were valued on a desktop basis as at 31st March 2014 by Jones Lang LaSalle LLP on the various different bases as follows:

	2014	2013
	£m	£m
Open Market Value with Vacant Possession (OMV-VP)	1,785	1,473
Market Value subject to existing Tenancies (MV-T)	859	733
Existing Use Value for Social Housing (EUV-SH)	382	353

## 9 OTHER TANGIBLE FIXED ASSETS

Octavia and Group

	Office accommodation	Commercial properties	Motor vehicles	Office Equipment	Octavia shops	Total
	£000	£000	£000	£000	£000	
<b>Cost</b>						
At 1 April 2013	7,701	6,061	94	1,825	399	16,080
Additions for year	15	263	-	198	-	476
At 31 March 2014	7,716	6,324	94	2,023	399	16,556
<b>Depreciation</b>						
At 1 April 2013	581	818	77	1,270	212	2,958
Impairment	-	650	-	-	-	650
Charged for year	83	157	8	291	52	591
At 31 March 2014	664	1,625	85	1,561	264	4,199
<b>Net book value</b>						
At 31 March 2014	7,052	4,699	9	462	135	12,357
At 31 March 2013	7,120	5,243	17	555	187	13,122

The commercial properties were valued by Savills in March 2014 at £8.1m



## 10 INVESTMENT IN SUBSIDIARIES

	Octavia 2014	Octavia 2013
	£000	£000
Cost and net book value at 31 March	10	10

## 11 STOCK

Housing properties	Octavia 2014	Group 2014	Octavia 2013	Group 2013
	£000	£000	£000	£000
Properties under construction	2,259	6,044	17,071	24,619
Completed properties	4,216	4,534	1,870	1,870
	6,475	10,578	18,941	26,489
Charity shops traded goods	-	55	-	47
	6,475	10,633	18,941	26,536

Stock includes the proportion of the cost of shared ownership properties both completed and under construction that is expected to relate to first tranche sales and outright sale properties both completed and under construction, as follows:

Stock includes £325k (2013: £963k) of capitalised interest costs

	Octavia 2014	Group 2014	Octavia 2013	Group 2013
	£000	£000	£000	£000
Shared ownership properties:				
Completed properties	2,464	2,464	1,736	1,736
Properties under construction	2,259	3,056	3,679	6,912
	4,723	5,520	5,415	8,648
Properties developed for outright sale	1,228	1,546	-	-
Properties for outright sale under construction	-	2,988	13,459	17,774
Other properties for sale	524	524	67	67
	6,475	10,578	18,941	26,489

Goods received as donation for sale in charity shops have no recorded book cost.

*Details of subsidiary undertakings are set out in Note 23*

## I2 DEBTORS

Amounts receivable within one year:	Octavia 2014	Group 2014	Octavia 2013	Group 2013
	£000	£000	£000	£000
General needs rental and service charges	1,228	1,228	1,346	1,346
Provision for doubtful debts	(425)	(425)	(401)	(401)
	803	803	945	945
License debtors	-	-	16	16
Leasehold debtors	140	140	66	66
Other debtors	2,603	2,604	2,815	2,933
Prepayments and accrued income	584	584	1,125	1,125
Amounts due from subsidiaries	112	-	7,275	-
Amounts due from related party – The Octavia Foundation	42	42	-	-
	4,284	4,173	12,242	5,085
<b>Amounts receivable after one year</b>				
Amounts due from subsidiary – Octavia Living Limited	3,685	-	-	-
	7,969	4,173	12,242	5,085

The amount due from Octavia Living Limited arises from a loan agreement to fund the construction of housing at a site in West London, which includes an element of social housing. Interest is payable at normal commercial rates and the loan is due to be fully repaid by April 2017 (2013: December 2013).

## I3 SHORT TERM DEPOSITS

Included within short term deposits at 31 March 2014 are amounts subject to restrictions on use, totalling £4.1m (2013 £4.8m). These amounts comprise £107k (2013: £186k) which relates to funds held on trust for leaseholders, £2.1m (2013: £2.1m) held for the future development of social housing for older persons, £1.0m (2013 £1.0m) held as security for a financial derivatives transaction and £0.9m (2013: £1.5) of Social Housing Grant received for payment to other members of the Connected Partnership.

## 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Octavia 2014</b>	<b>Group 2014</b>	<b>Octavia 2013</b>	<b>Group 2013</b>
	<b>£000</b>	<b>£000</b>	£000	£000
Housing loan (see note 15)	<b>4,514</b>	<b>4,514</b>	5,572	5,572
Trade creditors	<b>8,453</b>	<b>9,010</b>	8,327	8,816
Rent received in advance	<b>688</b>	<b>688</b>	679	679
Accrued interest	<b>771</b>	<b>771</b>	816	816
Other creditors and accruals	<b>426</b>	<b>426</b>	193	193
Grant received in advance	<b>3,886</b>	<b>3,886</b>	4,099	4,099
Social security and other taxation	<b>219</b>	<b>224</b>	198	198
Amounts due to subsidiaries	-	-	1,221	-
Amounts due to related party - The Octavia Foundation	-	-	116	116
	<b>18,957</b>	<b>19,519</b>	21,221	20,489

## 15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<b>Octavia and Group 2014</b>	<b>Octavia and Group 2013</b>
	<b>£000</b>	£000
<b>Housing loans</b>		
Due to banks	<b>134,488</b>	134,040
Less: Loan issue costs	<b>(776)</b>	(687)
	<b>133,712</b>	133,353
Recycled Capital Grant Fund	<b>1,067</b>	520
Disposal Proceeds Fund	<b>500</b>	231
Non housing loans :		
Due to loan stock holders with no redemption date	<b>25</b>	25
	<b>135,304</b>	134,129



Housing loans are secured by specific charges on 49% (2013: 44%) of Octavia's housing properties and are repayable at rates of interest varying between 0.74% and 11.50% (2013: 0.75% and 11.50%) due as follows:

	Octavia and Group 2014	Octavia and Group 2013
	£000	£000
Housing loans by instalments:		
Due within 1 year	4,514	5,572
Between one and two years	5,459	4,394
Between two and five years	13,155	8,166
In five years or more	110,340	115,946
	133,468	134,078
Advances under pre-1988 arrangements	34	34
Not by instalments :		
In five years or more	5,500	5,500
Total housing loans	139,002	139,612
Non housing loans by instalments:		
In five years or more	25	25
	139,027	139,637
Less: Loan issue costs	(776)	(687)
	138,251	138,950

Octavia and Group	Recycled grant fund	Disposals proceeds fund
	£000	£000
At 1 April 2013	520	231
Social housing grant on disposals in the year:		
Staircasing of shared ownership properties	577	-
From sales of other properties	35	267
Interest credited to the funds	4	2
	1,136	500
Social housing grant applied to new properties in the year	(69)	-
At 31 March 2014	1,067	500

The balances outstanding at 31 March 2014 are due to the Greater London Authority. There are no amounts due to the Homes and Communities Agency.

## 16 INTEREST RATE DERIVATIVE TRANSACTIONS

Octavia Housing has entered into long term fixed rate borrowings and embedded and free standing interest rate swap contracts to fix the rates of £115m (2013: £108m) of its borrowing portfolio until various dates up to 2037 (2013:2033). The negative fair value of these contracts at 31 March 2014 was £16.6m (2013: £22.1m)

Additionally, in the year to 31 March 2012 Octavia Housing entered into stand alone interest rate swap contracts to fix the rates on £36m of its borrowing portfolio until various dates up to 2037 (2013:2033). The negative fair value of these contracts at 31 March 2014 was £0.3m (2013: £0.3m).

The fair values of these contracts have not been recognised in either the Income and Expenditure or the Balance Sheet.

One embedded interest rate swap contract with a notional principal of £5m is cancellable at the option of the bank counterparty in 2015.

	Principl 2014		Principl 2013	
	£m	%	£m	%
Interest rates fixed for more than 12 months	<b>98.0</b>	<b>70</b>	103.4	74
Fixed interest rates with lender's option to cancel	<b>5.0</b>	<b>4</b>	5.0	4
Fixed by free standing financial derivative	<b>12.0</b>	<b>9</b>	-	-
	<b>115.0</b>	<b>83</b>	108.4	78
Floating rate (interest rates fixed for less than 12 months)	<b>24.0</b>	<b>17</b>	31.2	22
	<b>139.0</b>	<b>100</b>	139.6	100

A free standing interest rate swap agreement with another registered provider was completed in June 2013. In May 2014 the interest rate on the £10m THFC - EIB loan was fixed for 30 years from December 2015.

## 17 NON-EQUITY SHARE CAPITAL

Each member of Octavia Housing holds a non-equity share from one of the following classes of allotted, issued and fully paid shares:

	Number of shares				2014	2013
	£1 ord	Class "A"	Class "B"	Class "C"	£	£
£1 ordinary	104	-	-	-	104	104
Class "A" £1	-	77	-	-	77	77
Class "B" £0.05	-	-	1	-	1	-
Class "C" £5	-	-	-	18	90	90
As at 31 March	104	77	1	18	272	271

All shares carry equal voting rights but have no entitlement to interest, dividend or bonus and are cancellable on death, expulsion or withdrawal of a member from Octavia Housing.

## 18 RESERVES

	Octavia Revenue	Group Revenue
	£000	£000
At 1 April 2013	70,888	71,671
Surplus for the year	2,595	5,614
At 31 March 2014	73,483	77,285



## 19 CAPITAL COMMITMENTS

	<b>Octavia 2014</b>	<b>Group 2014</b>	<b>Octavia 2013</b>	<b>Group 2013</b>
	<b>£000</b>	<b>£000</b>	£000	£000
Expenditure contracted for but not provided	<b>27,015</b>	<b>27,015</b>	15,368	15,912
Expenditure authorised by the Board but not contracted for	<b>38,412</b>	<b>47,701</b>	15,873	15,873
Properties under construction	<b>65,427</b>	<b>74,716</b>	31,241	31,785

The capital commitments stated above are being funded by £7.1m (2013 £7.2m) of Social Housing Grant and £21.9m (Group) and £10.6m (Octavia) (2013 Group: £25.0m, Octavia: £24.5m) of receipts from sales of shared ownership and 100% leaseholder flats in the schemes being developed with the balance covered by cash deposits or loans raised on the net rental income of these schemes and additional rent charged on other properties together with a small number of sales of other properties. Funding of these commitments during the development of these schemes is covered by existing secured borrowing facilities and expected revenue cash flows

## 20 SURPLUS ON DISPOSAL OF FIXED ASSETS

	<b>Octavia and Group 2014</b>	<b>Octavia and Group 2013</b>
	<b>£000</b>	£000
Net proceeds of property sales	<b>4,204</b>	3,093
Disposal costs	<b>(29)</b>	(69)
Net book value of assets disposed	<b>(2,817)</b>	(1,044)
Transfer to the Disposal Proceeds Fund	<b>(267)</b>	-
Net surplus on sales	<b>1,091</b>	1,980

In the year to 31 March 2014 there were 2 properties (2013:6) sold as being unsuitable for social housing. There were staircasing receipts on 18 shared ownership property sales (2013: 5) and 3 (2013: 4) other properties let under the Rent to Homebuy scheme were sold.

## 21 GROUP CASH FLOW STATEMENT

### (a) Reconciliation of operating surplus to net cash inflow from operating activities

	Group 2014	Group 2013
	£000	£000
Operating surplus for the year	8,079	6,646
Depreciation on housing properties	3,225	3,078
Impairment	14	-
Depreciation of other fixed assets	591	393
Amortisation of loan finance costs	50	45
Decrease /(increase) in stock	15,903	(10,617)
Decrease /(increase) in debtors	912	(775)
Increase in creditors	162	1,840
<b>Net cash inflow from operating activities</b>	<b>28,936</b>	<b>610</b>

### (b) Reconciliation of net cash flow to movement in net debt

	2014	2013
	£000	£000
(Decrease)/increase in cash at bank during the year	(1,307)	2,967
Movements in short term deposits	23,044	1,082
Loans advanced	(10,000)	(25,000)
Loans repaid	10,637	4,347
Change in net debt	22,374	(16,604)
Net debt at start of period	(125,609)	(109,005)
Net debt at end of period	(103,235)	(125,609)

### (c) Change in net debt

	2013	Cash flow	2014
	£000	£000	£000
Bank balances and cash	4,530	(1,307)	3,223
Short term deposits	9,500	23,044	32,544
Debt due within 1 year	(5,572)	1,058	(4,514)
Debt due after 1 year	(134,067)	(421)	(134,488)
	(125,609)	(22,374)	(103,235)

## 22 PENSIONS

### **a) Defined contribution group personal pension**

Octavia operates two defined contribution group personal pension plans, one of which is closed to new members. Pension costs payable to the schemes are charged to the income and expenditure account on an incurred basis. Pension costs for the period in respect of the defined contribution schemes are £272k (2013: £255k).

### **b) Defined benefit pension scheme**

Octavia also participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the state scheme and is currently closed to new members of Octavia.

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 total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

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 address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme 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 67.0%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The market value of the Scheme's assets at the date of the Actuarial Report was £2,718m. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,151m, equivalent to a past service funding level of 70%.



## 23 SUBSIDIARY UNDERTAKINGS

During the year ended 31 March 2014 Octavia wholly owned the following undertakings incorporated under the Companies Act :

Name	Country of incorporation	Nature
Kensal Enterprises Limited	England	Trading company
Octavia Development Services Limited	England	Trading company
Octavia Living Limited	England	Trading company

In addition as at 31st March 2014 Octavia was a member of and controlled the composition of the Board of Management of the following Industrial and Provident Society.

Name	Country of incorporation	Nature
Octavia Hill Limited	England	Housing charity

## 24 RELATED UNDERTAKINGS

During the year ended 31 March 2014 the Board of Octavia Housing was able to nominate up to one third out of a total of nine members of the Trustee board of The Octavia Foundation.

Name	Country of incorporation	Nature
The Octavia Foundation	England	Charity

During the year ended 31 March 2014, Octavia Housing had incurred costs and received revenues from and on behalf of its related undertakings as follows:

The Octavia Foundation	2014	2013
	£000	£000
Amounts due (to)/from at start of year	(116)	1
Donation made by Octavia Housing	(300)	(410)
Monies received from The Octavia Foundation	-	(218)
Payments made to and on behalf of The Octavia Foundation	458	511
Amounts due from/(to) at end of year	42	(116)

## 25 RELATED PARTY TRANSACTIONS

At 31 March 2014 there were 3 (2014:3) members of the Board who have tenancy agreements with Octavia. The tenancy agreements have been granted on the same terms as for all other tenants and the housing management procedures including those relating to the management of arrears, have been applied consistently to those tenants.

Octavia Housing, the Association, has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group.

Octavia Housing, a regulated entity, has lent £3.7m (2013: £7.2m) to Octavia Living Limited to finance its developments at Cricklewood. This loan is expected to be repaid out of the proceeds of the sale of the development and carries a market rate of interest. During the year, Octavia Housing made a donation to Octavia Hill Limited of 5 (2013: 5) flats at a value of £1.3m (2013: £1.2m).

Octavia Development Services Limited provides development services to Octavia Housing. Sales to Octavia Housing include a 7.5% mark-up on the costs paid to suppliers to cover overheads. Any surpluses generated by Octavia Development Services Limited are donated to Octavia Housing or to Octavia Hill Limited.

The principal activity of Kensal Enterprises Limited is the purchase and sale of manufactured goods through charity shops in West London, owned by Octavia Housing. Kensal Enterprises Limited's activity in these shops is ancillary to Octavia Housing's sale of donated goods. Any surpluses generated by Kensal Enterprises Limited are donated to Octavia Housing.

## 26 CONTINGENT LIABILITIES

Social Housing Grant of £4.8m (2013 £4.4m) attributed to housing property components replaced is potentially repayable on the sale of the relevant property.

## 27 INCORPORATION

Octavia Housing is incorporated under the Industrial and Provident Societies Acts 1965 and is a Registered Provider of social housing with charitable status - Registration Number 13991R. It is registered with the Homes and Communities Agency, the Regulator of Social Housing, number L0717, under the Housing and Regeneration Act 2008.

## APPENDIX - BOARD MEMBERS

Octavia Housing is a member of the National Housing Federation (NHF) and its board has adopted and complies with the NHF code 'Excellence in Governance'.

Our main board comprises 11 members, including 7 external non-executives, 3 residents and our Chief Executive.

In accordance with our commitment to transparency we are publishing, on a named basis, details of our non-executive board members and the fees they received during the year:

Non-Executive Board Members	Main Group Appointments	Specialism (where applicable)	Full Year Fee
Andrew Herbert	Chairman, Octavia Housing & Octavia Hill Limited Chairman of the Nominations & Remuneration Committee Member of the Audit Committee	Chartered Accountant	£12,000
Simon Porter	Treasurer, Octavia Housing & Octavia Hill Limited Chairman of the Audit Committee and our Treasury Task & Finish Group	Chartered Accountant	£6,500
Aisha Ali	Octavia Housing	Octavia Resident	£4,500
Gwen Godfrey	Octavia Housing, Octavia Hill Limited Audit Committee Treasury Task & Finish Group	Lawyer	£4,500
Annie Lathaen	Octavia Housing & Octavia Hill Limited Services Scrutiny Panel Charity Shops Advisory Group	Housing professional	£4,500
Jean Roch (retired 2nd June 2014)	Octavia Housing & Octavia Hill Limited Nominations & Remuneration Committee Services Scrutiny Panel Development Panel	Octavia Resident with experience of working in the health service	£4,500
Debbie Sorkin (appointed 17th March 2014)	Octavia Housing	Chief Executive of the National Skills Academy for Social Care and a non-executive director with senior management social care experience	£4,500



Non-Executive Board Members	Main Group Appointments	Specialism (where applicable)	Full Year Fee
Rosalind Stevens (appointed 2nd June 2014)	Octavia Housing	Octavia Resident with experience of working in social & consumer policy development & implementation	£4,500
Angus Taylor	Octavia Housing & Octavia Hill Limited.	Chartered Surveyor and Fellow of the Association of Building Engineers. Board Health & Safety Champion	£4,500
Sylvia Warman-James (retired 2nd June 2014)	Vice-Chair of Octavia Housing & Octavia Hill Limited. Nominations & Remuneration Committee	Octavia Resident with experience in information systems for choice-based lettings	£6,500
Rajan Upadhyaya	Octavia Housing and Octavia Hill Limited. Chairman of the Development Panel	Director with senior development expertise within the housing association and local authority sectors	£6,500
Aldo Williams (appointed 21 July 2014)	Octavia Housing	Octavia Resident with senior health experience in central London	£4,500

In addition to our board members, we would like to acknowledge those who have contributed to the work of the committees and panels within our main governance structure during the year:

Martin Aldred (Audit Committee);

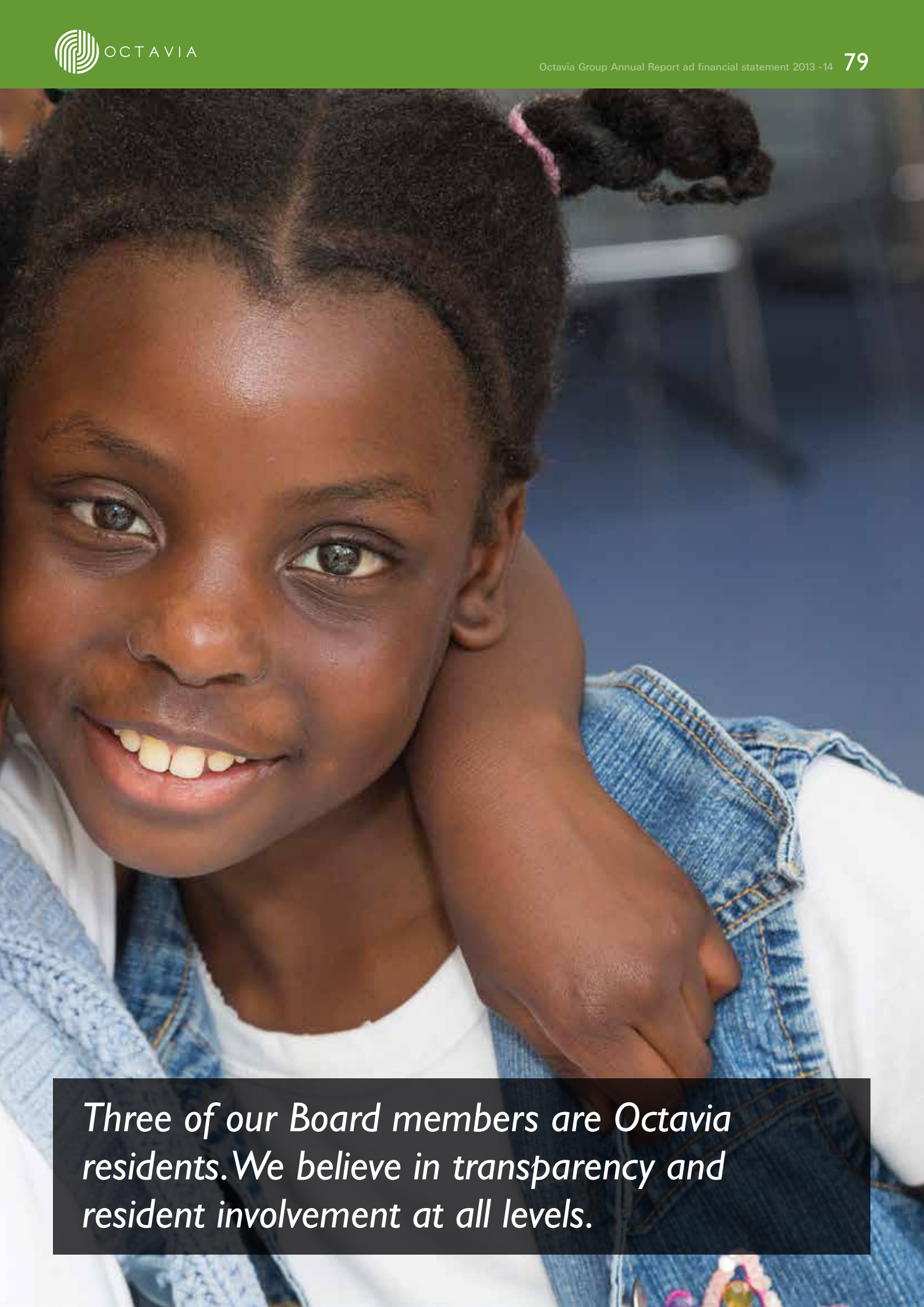
Fiona Holmes, Peter Chapman, Lara Samuels & Laurie Soden (Charity Shops Advisory Group);

James Dean, Patricia Cooper, Dorothy Delahunt, Annabelle Louvros, Amir Vata & David Wickerhsam (Services Scrutiny Panel)



*Over the last year 1,200 people have been assisted through work of the Octavia Foundation.*





*Three of our Board members are Octavia residents. We believe in transparency and resident involvement at all levels.*



