

NEW CHALLENGES **SHARPER FOCUS**

FINANCIAL REPORT 2010/2011



THAMES VALLEY HOUSING

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An Introduction by John Garrity, Chair, and Geeta Nanda, Chief Executive

The past year has been one of considerable change and pressure for the housing sector and our residents.

The introduction of the Affordable Rent model has ushered in a new era for the funding of affordable housing. Public funding for traditional social-rented housing is ending and has been substantially reduced for new shared ownership homes.

High market values and the high levels of deposits required ensure the continuing popularity of shared-ownership as a first step onto the property ladder.

Our residents are facing increasing pressures on their disposable incomes which will impact on the affordability of rents, mortgages and cost of running a home.

At Thames Valley Housing we are facing these challenges constructively and innovatively. Our strong relationships with local authorities, NHS Trusts, developers and contractor partners mean we are well placed to continue to provide high quality new homes and services.

This year we helped a total of 1,042 people rent or purchase a new home. Despite the difficult market conditions we generated a healthy surplus of £11.2m, which enables us to continue to invest for the provision of new affordable homes.

We achieved this success whilst adapting to the changing market and continually striving to enhance the quality of our work and services.

We have entered into a joint venture partnership with Galliford Try Homes Ltd to deliver new homes for market sale. This initiative demonstrates our commitment to building new homes through the creation of strategic partnerships. The venture will see us generating commercial returns which we will re-invest in the provision of more affordable homes.

During the year we also focused strongly on finding innovative ways to improve the services we offer to our customers. We assisted our most vulnerable residents with specialist help to support them in their tenancies. We funded and supported an increasingly diverse range of community projects and activities. We invested in our residents to develop their capacity to provide a high level of resident scrutiny of our services.

Working together, Thames Valley Housing and our residents are redesigning service delivery to be more efficient and effective. We want to provide what is most important to our residents: customer satisfaction.

Our reputation for striving for excellence in everything we do has gained us wide recognition. We received the "What House" award for Best Large Housing Association, this award reflecting our ability to continue to deliver quality housing across tenures despite difficult market conditions. Our Gold "Investors in People" award (achieved by only 2% of organisations in the country) demonstrates our commitment to our staff, which in turn is reflected in our excellent performance levels and our ability to adapt to change. Our "Customer Service Excellence" award shows that an ethos of high quality service provision lies at our heart.

We expect that 2011/12 will be another difficult year for the housing sector and our residents. We remain committed though to continue to invest in high-quality homes and services and to rise to the challenge of helping our residents through difficult times.

BOARD MEMBERS

John Garrity	Chair (Appointed as Chair on 30 September 2010) (Resigned as Deputy Chair on 30 September 2010)
Laure Duhot	Deputy Chair (Appointed as Deputy Chair on 30 September 2010)
Peter Williams*	(Retired as Chair on 30 September 2010 but remains on the Board)
Emma Cariaga	(Appointed on 14 July 2011)
Steve Henson	
Dean Mayer*	
Gerard McCormack*	
Benita Mehra	
Geeta Nanda	(Appointed on 1 April 2011)
Richard Stanley	
Jane Staveley	
Jack Stephen	(Appointed on 1 April 2011)
Martin Taylor	(Retired on 30 September 2010)

* Members of the Group Audit and Risk Committee

EXECUTIVE OFFICERS

Geeta Nanda	Chief Executive
Jack Stephen	Finance Director / Deputy Chief Executive
Mark Allnutt	Development Director
John Baldwin	Housing and Neighbourhood Services Director

BANKERS

Barclays Bank Plc
8/12 Church Street
Walton on Thames
Surrey
KT12 2QX

LENDERS

Abbey National Treasury Services plc
Barclays Bank plc
Dexia Public Finance Bank
HBOS
Housing Association Finance plc
Nationwide Building Society
Nat West
Newcastle Building Society
The Housing Finance Corporation (THFC)

EXTERNAL AUDITORS AND TAX ADVISORS

BDO LLP
Emerald House
East Street
Epsom
Surrey
KT17 1HS

INTERNAL AUDITORS

KPMG LLP
15 Canada Square
London
E14 5GL

COMPANY SECRETARY AND REGISTERED OFFICE

Patricia Etter
Premier House
52 London Road
Twickenham
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PROPERTY VALUERS

Jones Lang LaSalle
30 Warwick Street
London
W1B 5NH

SOLICITORS

Devonshires
30 Finsbury Circus
London
EC2M 7DT

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

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

OPERATING AND FINANCIAL REVIEW

The Board of Thames Valley Housing Association Limited is pleased to present the audited financial statements of Thames Valley Housing Association Limited ("the Association") and the Thames Valley Housing Association Group ("the Group") for the year ended 31 March 2011.

The Thames Valley Housing Association Group comprises Thames Valley Housing Association Limited ("TVHA") and its subsidiary undertaking Thames Valley Charitable Housing Association Limited ("TVCHA").

OVERVIEW

The principal activities of the Group are:

- The management and development of homes for people who cannot afford to purchase their own homes outright or rent a home in the private sector.
- Working with Local Authorities to help create communities.

Both Associations in the Group are Registered Providers. The Group is a development partner to the Homes and Communities Agency (HCA). The Group is also jointly commissioned by several local authorities, having preferred partner status in 15 local authority areas outside of London.

The Group has continued significant growth through a programme for delivering new homes. The Group reviewed its core areas of operation last year and has since delivered a programme to ensure efficient housing management and growth opportunities. This programme focused this year on the production of new Social Rented Homes, the construction and sale of Low Cost Home Ownership homes (LCHO) and the expansion of NHS Key Worker Accommodation.

The Group has responded positively to the announcements in the Comprehensive Spending Review (CSR) and designed a development programme of Affordable Rent Homes in core areas.

CORPORATE GOVERNANCE

The key aspects of our Corporate Governance are:

- During 2010/11, there were ten members on each Board classified as either Residents or Independents. Two Members of the TVHA Board sit on TVCHA Board and one Member of the TVCHA Board sits on the TVHA Board. With effect from 1 April 2011 two Executives sit on the Board of TVHA.
- No more than one third of either Board may be Residents, and at least one third of each Board must be Independent.
- All Board Members are subject to re-election every three years. In the case of Resident Board Members, after two terms of three years, their Resident Board position is advertised to the resident population and the procedure for Resident Board Member appointment initiated. The process of Resident Board Member appointment is an open one, inviting applications from the resident population.
- TVCHA is the charitable subsidiary, focussing on services to residents and the upkeep of all of the Group's housing stock.
- A minimum of one resident sits on the TVCHA Board.
- Board Members of each Association are appraised annually and are remunerated at levels consistent with the Group's scale of activities and sector norms. The 2010 performance review concluded that the current level of board remuneration, based on the performance of each Board, the external environment and in comparison with its peer group, remained appropriate for a further year.

Changes to Corporate Governance were made in December 2010, to take effect during 2011, to ensure that sufficient relevant skills are represented on both Boards. The changes were:

- The Chief Executive and Finance Director / Deputy Chief Executive were appointed to the Board;
- The number of members who serve on both the TVHA and its subsidiary Board, TVCHA, was reduced from three to two, one member from TVHA serving on the TVCHA Board and vice versa;
- The TVCHA Board will reduce its resident membership in 2011 from three to a minimum of one.

Group Board Committees:

- Group Audit & Risk Committee. Members are selected from both Boards. The Committee has responsibility for the oversight of the internal and external audit processes, monitoring the integrity of the financial statements and a focus on risk management. The Committee meets at least four times a year.
- Group Remuneration & Nominations Committee. Membership is the Chair and Deputy Chair of each Association. The Committee is responsible for determining matters relating to remuneration of Staff and Board Members and overseeing the appointment of new Board Members, Executives and the appointment of new members to Group Committees. The Committee meets at least twice a year.

- Group Treasury Committee. Members are chosen from either Board, for their expertise in the financial and investment sectors and treasury management and meet as and when required.
- Group Investment Committee. Members are chosen for their expertise in investment and development and meet when required to approve investments that fall outside of the authority delegated to the Executive Directors.

GROUP BUSINESS PLAN, OBJECTIVES AND STRATEGY

MISSION

To improve the opportunities people have in life through providing good quality, affordable homes.

VISION

We are a leading provider of homes in communities where people are proud to live. We are ambitious for our customers so we invest in good quality homes and services to respond to our customers changing needs and housing aspirations. We are known for our ability to form partnerships to get things done.

VALUES

The Group has a set of core values which is embedded in everything it does; they are "**REACH for Excellence**".

Respect	Value and respect others' individuality and culture
Enabling Change	Inspire people to make things better
Accountability	Be open and take responsibility in what we do
Customer Focused	Understand the aspirations of our customers
Honesty	Flourish in a transparent environment of trust and integrity

OBJECTIVES AND STRATEGY

Our approach to all activities is underpinned by strong and shared values.

OBJECTIVES	INITIATIVES
Our Customers Provide high quality services to all our residents	
To improve customer satisfaction.	Reviews of the efficiency and effectiveness of customer services to achieve improved quality, lower cost and how we meet the TSA standards are underway. Delivery of our Annual Report for Tenants, setting out our outcomes for resident services in respect of the six TSA standards. A new "customer service pledge" was introduced following consultation with residents.
To continuously improve the quality of our services and homes, reflecting our residents' needs and aspirations.	Improvements to the repairs and estate services partnering processes are being sought. A full scale review of the partnering agreements in 2010/11 is now leading to improved partnering outcomes.
To listen to residents and act on their views, putting them at the centre of service delivery.	Local estate service specifications across our housing stock (in part using Resident Estate Inspectors) are being developed in conjunction with residents and improved feedback mechanisms to residents put in place.
To contribute to and improve the local communities in which we work.	We are expanding our community development programme and prioritising neighbourhoods for investment. This works in conjunction with other local organisations to deliver neighbourhood working.

OBJECTIVES	INITIATIVES
<p>Growth Achieve sustainable growth</p>	
<p>To provide a range of quality affordable rented homes.</p>	<p>We are committed to delivering 216 units in 2011/12 and have responded positively to the announcements in the Comprehensive Spending Review to design a programme of housing development in subsequent years.</p> <p>We have commenced landbanking to secure strategic opportunities and will continue to make acquisitions within a total investment of £15million.</p>
<p>To be innovative and creative in current market conditions, to enable the development of new housing products.</p>	<p>We have actively pursued joint venture investment opportunities and completed the agreement on the first joint venture framework in 2010/11. Further commercial ventures will be assessed by the Group in 2011/12.</p>
<p>To develop our own brand of TVHA homes.</p>	<p>The proportion of Group design led schemes will be maintained at 50% of total development and a revised sustainability policy and strategy for new housing is embedded in the development of our new homes.</p>
<p>To manage our assets and rationalise our areas of operation enabling further growth in our core areas.</p>	<p>Management and ownership arrangements for our housing stock in non-core areas have been rationalised. We have put in place outsourced management in some instances and disposed of housing stock where appropriate.</p>

OBJECTIVES	INITIATIVES
<p>Building our social business Thrive as a business</p>	
<p>To maintain financial capacity to fund our objectives.</p>	<p>Fully committed and secure loan finance is in place to cover all of our current funding and projected requirements for the next four years.</p>
<p>To ensure we are effectively governed and accountable.</p>	<p>The Board of Thames Valley Charitable Housing Association focuses on services to all residents and the upkeep of all of the Group's housing stock. It is intended that the completed housing assets of TVHA should be transferred to TVCHA. At the end of 2009/10 we completed the transfer of 43% of these assets and we plan to complete the transfer of the remainder in the 2011/12 financial year. This will enable the Group to strengthen its focus on resident services.</p>
<p>To work in partnership with local authorities and key stakeholders.</p>	<p>We have put in place a strategy for better engagement and communication with core local authorities and key stakeholders. We have also worked closely with local authorities in responding to Central Government's Affordable Rent initiative.</p>
<p>To develop the skills and abilities of our staff, Board Members and residents to be an employer and landlord of choice.</p>	<p>We have implemented new staff salary and reward structures to strengthen our offer to employees and remain competitive in the market, enabling us to secure and retain skilled people.</p>
<p>To embrace diversity in the way we provide our services.</p>	<p>A number of strategic projects have commenced which will improve our knowledge of local communities and shape our services to meet the requirements of all sections of the community.</p>
<p>To promote the work of TVHA to all of our customers and stakeholders.</p>	<p>We are in the process of revising our PR strategy, developing a clearer "corporate brand".</p>
<p>To deliver value for money.</p>	<p>We have reviewed our Value for Money strategy to provide a clear and effective framework for ensuring and improving Value for Money. We will promote our strategy across the Group, supported by a procurement team and will use a range of tools to embed Value for Money within our strategic and operational work.</p>
<p>To enhance our use of technology to improve customer services and maximise efficiency.</p>	<p>We selected a new housing management ICT system in 2009/10. The first and largest phase of the implementation has been successfully achieved and the remaining phases will be completed during 2011/12.</p>

MAIN INFLUENCES AND RISKS

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

The principal operating risks of the Group at this time are:

RISK	CONTROLS
<p>Delivery of the Property Sales Programme This risk reduced in 2010/11 as a consequence of a successful sales programme and reduction in the number of properties for sale.</p>	<ul style="list-style-type: none"> • Improved sales reporting, including real time reporting of all schemes and regular reporting to Board. • Ongoing review of sales forecasting and financial plan implications. • Evaluation of the financial impact on each sales scheme of decreased valuations, marketing incentives and lower equity sales levels. Reviewing options for market renting, conversion to general needs renting and sub-market renting. • Seeking additional grant for schemes.
<p>Delivery of a continuing Development Programme The main future risk arises from the reduction in availability of social housing grant following the Comprehensive Spending Review and announcement of the Affordable Rent Programme.</p>	<ul style="list-style-type: none"> • Improved procedures to monitor changes in the development programme and its risk profile. • Regular communication with the HCA on the programme and ability to deliver. • Consultation with our Local Authority partners to tailor our provision to their housing needs and to seek their financial support for development.
<p>Resident Satisfaction Levels Fail to Improve Leaseholder satisfaction is currently 46% and the tenants STATUS survey reported satisfaction at 82%. Delivery of services via management companies may be poor, resulting in low satisfaction levels.</p>	<ul style="list-style-type: none"> • Monthly surveys have been instigated to track satisfaction; new tenants' STATUS survey carried out in 2010 and action planning focused on the priorities and issues arising from the analysis of survey results. • Resident-led audits are undertaken on services, and these are reported to the TVCHA Board and used to inform our action plans. • Service improvement plans have been implemented following reviews undertaken on leaseholder services, service charges, estate services and defects management. • Improved procedures have been put in place for appointing and monitoring management companies.

RISK	CONTROLS
<p>Implementation of A New Housing Management ICT System Development of the new system started in the second half of 2009/10. If problems arise in implementation it could lead to deterioration in service delivery.</p>	<ul style="list-style-type: none"> • A Project Board oversees that project. • Sufficient resource has been put in place for effective implementation. • Phased implementation has reduced the risk of service deterioration. • An external consulting firm has been retained to provide regular reviews of the implementation process. • The implementation plan was reviewed by our internal auditors, KPMG.
<p>Potential changes in Housing Policy Significant changes in all areas of housing policy and benefits, including changes in capital and revenue spending.</p>	<ul style="list-style-type: none"> • Our business plan contains sufficient headroom to cope with potential further decreases in capital funding. • We maintain communication links with key Government departments, agencies and stakeholders. • Budget for 2011/12 and our five year plan take account of the comprehensive spending review. • Corporate Plan objectives for 2011/12 take account of changing circumstances, and provide for flexibility to respond.
<p>Compliance with TSA National Standards Regulatory risk of failure to comply with national standards, and of not setting and implementing satisfactory local standards.</p>	<ul style="list-style-type: none"> • Self-assessment of compliance with new standards and action plan for remedying any gaps has been completed. • We have published the first regulator/annual report to residents which has been well received by the TSA. • A new resident scrutiny panel has been established.
<p>Insolvency of Contractors Developer or contractor insolvency could put the development programme, housing services or the sales programme at risk.</p>	<ul style="list-style-type: none"> • Updated and increased credit analysis of contractors. • Contractors are all either externally validated or are National Developers whose performance is reviewed in detail. • Appropriate bonds, warranties and guarantees are secured. • Parent company guarantees are sought to mitigate risk of contractor insolvency. • All payments signed off by our Employer's Agent guaranteeing works have been completed. • Procedures in place to check the financial position of the main contractors every 6 months.

OPERATING REVIEW

REGULATION

The Housing and Regeneration Act 2008 established the Tenant Services Authority (TSA) and the Homes & Communities Agency (HCA).

The TSA published the six key standards of its regulatory framework effective from 1 April 2010. The TSA approach is one of co-regulation, requiring Registered Providers to report annually on how the standards have been met.

The Six Standards

1. Tenant involvement and empowerment.
2. The quality of accommodation and repairs and maintenance.
3. Requirements relating to allocations, rent and tenure.
4. Neighbourhood management and local area co-operation.
5. Prioritisation of expenditure on local areas and provision of housing and delivery of value for money improvements.
6. Governance and financial viability – accountability to residents and other stakeholders, adherence to a code of Governance and ensuring the existence of an effective risk management framework.

The powers of the TSA will transfer to the HCA by April 2012.

We expect that regulation will continue in the same manner, under the same standards.

ORGANISATIONAL CHANGES

Development Directorate

In April 2010 the sales and marketing departments were restructured in response to a reduced forward programme of both new build sales and after sales. At the same time the Association took the opportunity to end the policy of using temporary staff to open sales sites at weekends and introduced a new system of site sales coverage using in house sales staff.

Housing and Neighbourhood Services Directorate

As part of the rationalisation of our housing stock we have sold 99 properties in Kensington and Chelsea and Hammersmith and Fulham. To increase our efficiency of management, we have outsourced the day to day management of 138 rented and shared ownership properties in South Hampshire to a local Registered Provider and 104 shared ownership properties in Swindon are now managed by a private agent.

GROWTH STRATEGY

Development of Social Housing and Affordable Rent Homes

In the first half of 2010/11 the funding environment for social housing was very uncertain, with the HCA having a moratorium on new Social Housing Grant (SHG) allocations, until the outcome of the CSR was known.

Despite the political, economic and funding issues, Development activity continued in line with the Group's growth strategy and excellent progress was made in all areas.

After the outcome of the CSR, new growth in Affordable Housing was modelled to understand the capacity of the Group to develop the new Affordable Rent product.

Following discussions with partner Registered Providers, the Group has submitted a Consortium bid to participate in the 2011-15 Affordable Homes Programme.

The Group has now delivered to the HCA its proposals for developing schemes of new affordable rent homes over the next four years. The proposals have been made as lead partner in a consortium of four Registered Providers.

The property market was stable through most of the year, and improving in the last three months of 2010/11. Sales prices were also stable or increasing with little of the previous years volatility in evidence. The number of mortgage products and providers available to purchasers increased considerably.

New rent and shared ownership schemes were approved and started during the year despite difficult circumstances. The Group continued to reduce its reliance on Section 106 schemes and took the opportunity to start more Group led schemes to create a more balanced programme.

As well as acquiring land for immediate development, we utilised part of our land bank fund to enter into an option agreement to purchase strategic land and to purchase a freehold of 37 hectares in the South Wokingham Strategic Development Location.

A Joint Venture was agreed in the year with Galliford Try PLC. The Group and Galliford Try Homes Ltd have formed an LLP to acquire sites and develop and sell new homes.

The Group's pipeline of Key Worker accommodation was completed by year end, with the final handover of units at the flagship 557 unit key worker scheme for the National Health Service at St Georges Hospital in Tooting. The contractor, Willmott Dixon, delivered the four year scheme on time and within budget.

We have explored opportunities in the year to build a portfolio of market rent accommodation in joint ventures with others. Promising discussions are ongoing with potential equity investors and funding banks.

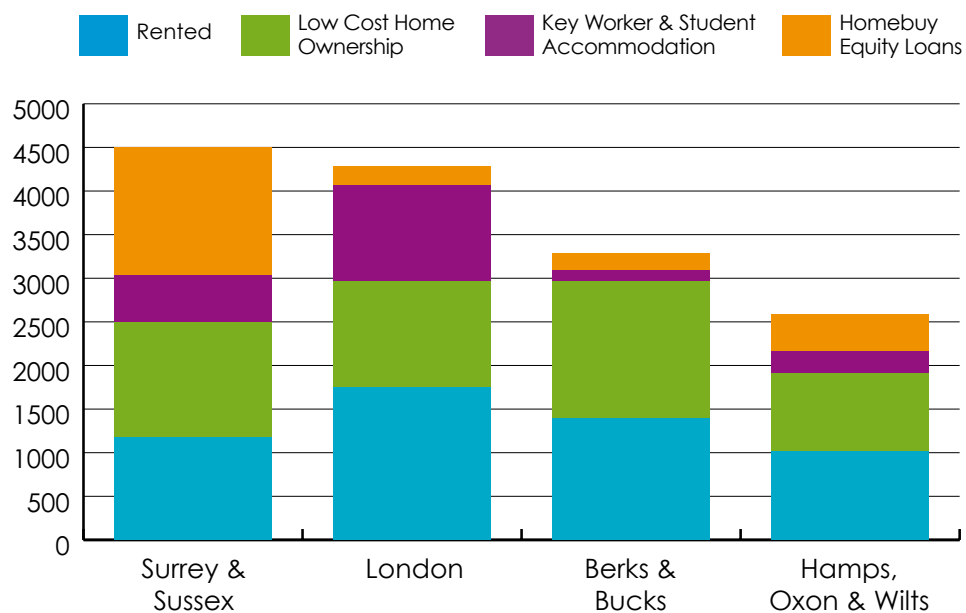
The Group has a growth strategy for 2011/12 taking into account the changes to the social housing sector announced by the Government, the availability of finance and in response to the supply and demand dynamics of the wider housing market.

The headlines of the strategy are:

- Participation in the new HCA Affordable programme 2011-15, but delivering reduced volumes compared to previous affordable programmes.
- Commercial investment in purpose built accommodation for the private rented sector in London.
- Continued investment in land for future development in areas of high demand.
- Commercial investment in the Joint Venture with Galliford Try Homes Limited.

HOUSING STOCK

The Group owns, manages or administers 14,663 homes/home loans geographically analysed at the end of the year as follows:

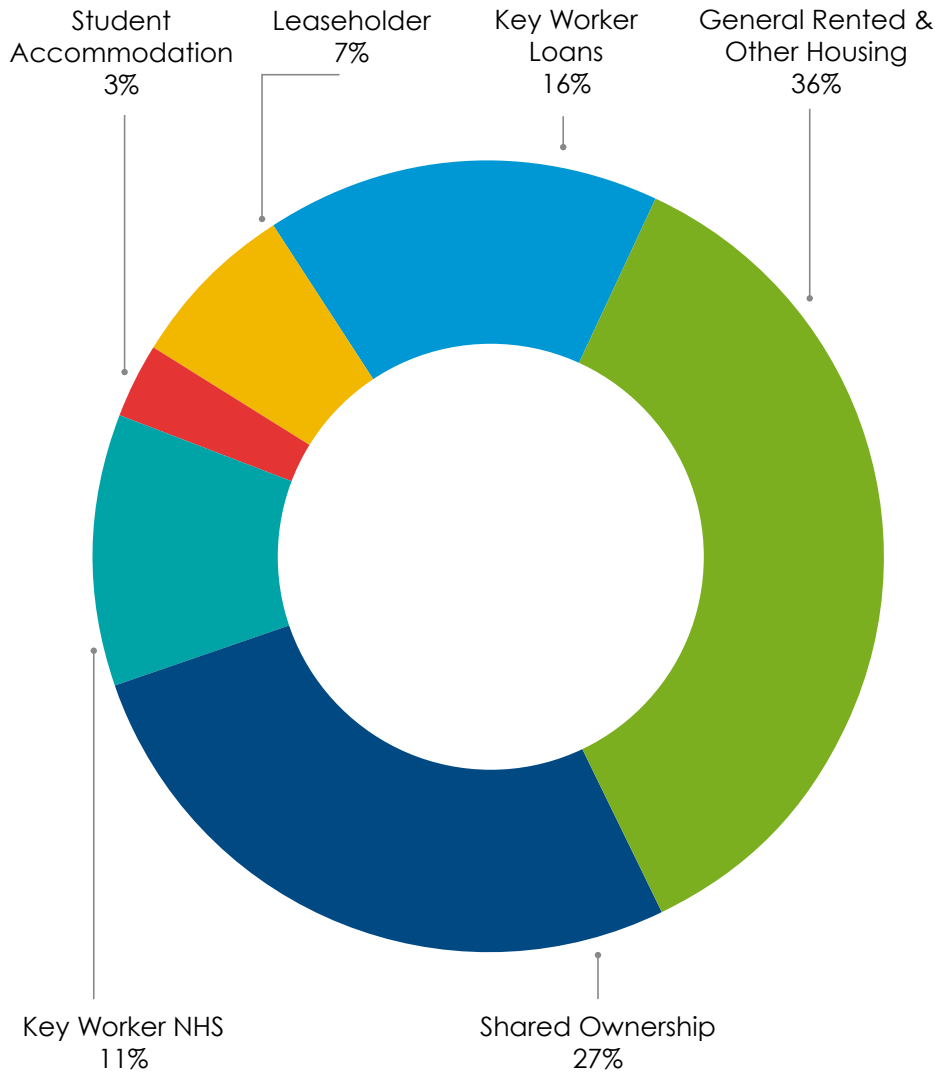


In the year we acquired or completed the development of 288 General Needs, 388 Low Cost Home Ownership, 176 Key Worker accommodation and we also provided 7 new 100% Mortgages.

Offsetting these increases was the disposal of 109 General Needs units, and disposal and full staircasing of 39 Low Cost Home Ownership homes and the redemption of 118 Homebuy Equity Loans.

HOUSING (No. at year end)	2010/11	2009/10	2008/09
General Needs	5,497	5,318	5,029
Low Cost Home Ownership	4,651	4,302	4,245
Key Worker	1,627	1,451	971
Student	463	463	463
Supported & Sheltered	62	62	107
Market Rented	29	29	29
Intermediate Rent	36	36	36
Homebuy Equity Loans	2,298	2,416	2,157
Total Homes Owned, Managed or Administered	14,663	14,077	13,037

2010/11 HOUSING TENURE BY TYPE



At year end the Group had 676 new homes under construction (2009/10: 951).

BENCHMARKING & PERFORMANCE

Competitiveness is achieved by the targeted delivery of top quartile service outcomes at a cost that measures within the upper quartile (ie. lowest cost) in comparison to our benchmark group. The Board annually reviews performance against this aim as an integral part of determining whether the Group is meeting wider national efficiency expectations.

The Group's performance management framework is linked to strategic Performance Indicators which are cascaded down through management and staff appraisal targets.

Areas of weakness have been reported to the Board throughout the year as part of our drive for continuous improvement and action incorporated into Directorate plans.

The Group can demonstrate maintained improvement in most customer facing service areas and mostly top quartile performance.

GENERAL NEEDS HOUSING

In the year we have increased our stock under management (net of properties sold) by 593 units. We have helped house 634 tenants through new lets (262), re-lets (282), and mutual exchanges (90). All of these were allocated through partnership with our Local Authorities.

Our customer satisfaction is at 81% (target: 78%). We exceeded all our KPI targets for Housing Management in the year. Our rent collection rate stands at 100.1% whilst rent arrears are the lowest they have been for 3 years at 4.7%. There have been 45 evictions this year a drop of 10% from the previous year with around 30% (14) coming from within the 3 shared housing schemes.

The average time between a tenancy ending and the next one beginning was just 18 days. New lettings were turned around in an average of 2.2 days which is well within target. We have a Tenancy Support Officer helping some of our more vulnerable residents, including obtaining backdated benefit claims. We have carried out improvements in managing anti-social behaviour and have introduced a monthly update to every victim and perpetrator of anti-social behaviour.

We have 5 Neighbourhood Projects in action set to deliver both environmental and community improvements over the next 3 years. These projects link into our existing community investment strategy, and with residents steering the projects we have set out a plan to deliver tangible improvements to the neighbourhoods where they live.

Our Customer Service Centre handled over 100,000 calls this year with a call abandonment rate of 2.2%. This is still an excellent figure despite system changes and dealing with often complex and challenging repairs issues impacting on this outturn.

PERFORMANCE INDICATORS	2010/11 OUTTURN	2010/11 TARGET	2009/10 OUTTURN
% of Rent Collected	100.1	99.0	99.4
Current Tenant Arrears (%)	4.7	4.8	5.0
Average Re-let Times (Days)	18.0	25.1	23.8
Average New-Let Times (Days)	2.2	21.0	25.1
Void Rate – Units Available For Letting (%)	0.3	0.5	0.3
Overall Tenant Satisfaction (%)	82.0	92.0	92.0
Customer Service Centre Abandonment Rate (%)	2.2	2.0	1.3

Our planned and cyclical maintenance programmes delivered improvements to over 810 properties and all of our housing stock meets the Decent Homes Standard. Our stock is also efficient in terms of energy consumption with a SAP (Standard Assessment Procedure) rating of 70.8%, and we have continued to embrace new technology to reduce energy consumption.

We carried out over 10,500 orders for day to day repairs; 97.1% of repairs appointments made and kept; 88.4% were completed in one visit, whilst 94.2% of our routine and 97.9% of our emergency repairs were completed within the target times. Overall satisfaction with the day to day repairs service has remained constant over the year and stands at 93.4%.

Work has continued to improve the environment on our priority estates and the model for identifying these schemes has been revised with broader criteria. Estates will benefit from a more holistic approach to dealing with the issues including community investment and youth work.

We commenced the re-procurement of the cleaning and grounds estate services and will have new services in place next year. Residents are involved in the decision making process. We have used a Geographic Information System to allow us to electronically map, in more detail, our schemes and the areas of services required and we have used this to improve the procurement process.

We achieved planned efficiency savings on our contract with Mears for the provision of reactive repairs and have introduced improvements to our service to residents, including text reminders to residents with appointments. In the year we agreed a revised suite of KPIs with Mears in consultation with residents. We work with our Resident Auditors and residents generally in improving services.

PERFORMANCE INDICATORS	2010/11 OUTTURN	2010/11 TARGET	2009/10 OUTTURN
Maintenance Response Times			
- Emergency (%)	97.9	97.0	96.2
- Urgent (%)	91.7	94.0	91.0
- Routine (%)	94.2	95.0	93.8
Maintenance Appointments Made & Kept (%)	97.1	95.0	96.5
Planned Repairs Completed As A % Of Programme	115.0	100.0	100.0
% Of Gas Appliances Serviced Within TVHA Policy	100.0	99.8	99.8
Overall Repairs Satisfaction (%)	93.4	92.0	91.0

LOW COST HOME OWNERSHIP

Market conditions have improved during the year, with an increase in shared ownership mortgage products and improving property sales. An average sales rate of 4 properties per week was achieved.

The year closed with a total of 228 properties sold, with values at multi-phased sites showing continued improvement as each new phase has been released. There has also been an increase in equity levels sold. At the start of the year the majority of equity sales averaged at 25% and now is averaged at 30%.

Staircasing transactions have been lower than anticipated and the year ended with 65 achieved at a profit of £1.52m. Despite the adverse economic environment facing many of our residents, rent arrears at 2.6% were better than both target and the previous year.

PERFORMANCE INDICATORS	2010/11 OUTTURN	2010/11 TARGET	2009/10 OUTTURN
Staircasing Sales (No.)	65	100	118
Average Period Between Handover Of New Properties And Sales Completion (Days)	108	130	218
Low Cost Home Ownership Rent Arrears (%)	2.6	3.2	3.0

COMMERCIAL HOUSING

This has been another busy year for our Commercial Housing Team which is responsible for the management of our Key Worker accommodation for the National Health Service & Student Accommodation.

The Team has overseen a 13% growth in the number of Key Worker units with the handover of a further 176 completed units at St George's Hospital, Tooting bringing the total number of units of Key Worker and Student Accommodation in management to 2,090 properties.

Rent arrears remain low for this business area and the new properties at St George's Hospital have been let quickly and void rates are better than targeted. Satisfaction remains high for this client group with especially good feedback from the Hospital Trusts.

HEALTH SERVICE KEY WORKER AND STUDENT ACCOMMODATION PERFORMANCE INDICATORS

PERFORMANCE INDICATORS	2010/11 OUTTURN	2010/11 TARGET	2009/10 OUTTURN
% Of Rent Collected	97.6	-	99.4
Current Tenant Arrears (%)	1.9	3.5	0.9
Void Rate – Units Available For Letting (%)	3.0	6.0	3.3
Overall Tenant Satisfaction (%)	78.2	70.0	N/A

DEVELOPMENT

We started the year on site with 951 units (2009/10: 1,247) and by year end had 629 units in development (2009/10: 951). 893 new homes were completed in the financial year to March 2011 (2009/10: 893).

Looking ahead, land buying activity will be focused on core areas, predominantly in South West and West London, Surrey and Berkshire.

A new proposal has been submitted to the HCA under the 2011/12 – 2015/16 bid round for grant to develop the new affordable rent product and shared ownership homes.

Our current contracted development activity is taking place over 40 projects in 16 Local Authority areas in London and the South East.

DEVELOPMENT PERFORMANCE INDICATORS

PERFORMANCE INDICATORS	2010/11 OUTTURN	2010/11 TARGET	2009/10 OUTTURN
Completions (No.)	893	829	885
Grant Take Up (£m)	27.1	11.0	18.8

EMPLOYEES

The knowledge, skills, and abilities of our employees along with their performance are key to the Group's ability to deliver its strategy and objectives. Our REACH values remain the "passport" for staff to work at Thames Valley Housing. They are reinforced through our induction and performance management systems.

Pay and Reward

A new pay and reward structure was implemented this year. Individual salaries were reviewed against the market; new pay levels and a new bonus scheme were introduced, along with a modernised and simplified job evaluation scheme.

Investors in People

We were re-accredited with Investors in People and have held the award since 2001. This year we were assessed beyond the basic award and were delighted to achieve gold status.

Training

Our Training Centre is accredited by City and Guilds and the Chartered Institute of Housing to provide professional qualifications to our employees and residents and offers:

- Apprenticeships in Housing, Customer Service and Business Administration;
- NVQ Qualifications in Housing, Business Administration and Customer Service;
- Diplomas in Business Administration and Customer Service;
- Certificates in Housing and the Housing Diploma;
- Key skills in IT Communication;
- Institute of Leadership and Management Level 3.

EQUALITY AND DIVERSITY

The Group is an equal opportunities employer and bases all decisions on individual ability regardless of race, religion, gender, sexual orientation, age or disability. New recruits attend a workshop as part of their induction and refresher training is run on Equality and Diversity. This year we asked Quality Housing Services to audit our performance in this area. They awarded us enhanced performance for a score of 90% for equality and diversity.

Health and Safety

With health and safety of vital concern to us, we have committed to a stretching Health and Safety target, and employ an external firm of Health and Safety specialists. Last year there were 8 reported incidents of minor accidents, which included 1 RIDDOR accident (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations).

The average sickness absence per employee was 3% last year compared with 2.9% in 2009/10 and a target of 2.5%.

Our Health and Safety Index is annually agreed and reviewed by the Board. The index measures safety across a number of key areas throughout the Group, last year scoring 98.5% (2009/10: 95.7%).

PERFORMANCE INDICATORS	2010/11 OUTTURN	2010/11 TARGET	2009/10 OUTTURN
Staff Satisfaction (%)	81.0	-	81.0
Staff Turnover Rate (%)	10.2	15.0	12.7
Average Sickness Absence Per Employee (%)	3.0	2.5	2.9
Health & Safety Index (%)	98.5	95.0	95.7

VALUE FOR MONEY

Strategic Context

Value for money (VfM) is included as a Corporate Plan goal, within the strategic objective "to thrive as a business". The goal is delivered by annual projects, each of which is the responsibility of an Executive Officer or senior manager.

Our objective is to achieve upper quartile customer satisfaction and performance that is cost effective.

Achievement is monitored through the Executive and Management Team, and reported to the Board.

Mission and Supporting Aims

We have identified four VfM aims which have Executive-level sponsors. The action plans for achieving these aims are included in the Corporate Plan.

- Aim 1: Provide strategic VfM guidance through our governance and embed VfM in our operations.
- Aim 2: Achieve VfM in our services through resident engagement.
- Aim 3: Embed VfM within Procurement to achieve increased efficiency and value.
- Aim 4: Develop increased financial and IT literacy and capability across the organisation.

SUSTAINABILITY

The Group recognises its responsibilities to society and the environment and is committed to being a best practice exemplar organisation, having integrated sustainability into its undertakings and business decisions.

Last year was the second year of the renewed sustainability strategy which is structured around four core activities.

1. Development of new homes.
2. Existing building stock.
3. Internal operations.
4. Sustainable communities.

Our Group has embedded a commitment to sustainability within the purpose and core values of its planning and business processes. The 2010/11 Sustainability Strategy addressed the environmental impact of our new developments of our existing building stock and of our internal operations.

We focused on delivering against the following four sustainability objectives in 2010/11:

- Collect and maintain a database of property information.
- Delivery of sustainable homes (new and existing).
- Improve energy, water and waste efficiency in TVHA's own operations.
- Assist the self-development of residents.

In April 2010 we reviewed the four sustainability objectives and enhanced their scope as detailed below:

Collect and maintain a database of property information

An enhanced database on the current condition of the existing stock was implemented in 2009/10. By April 2010 we were able to measure the baseline energy performance of our stock and we committed resources to enable us to collect a broader range of data in 2011.

Actions included:

- Recording whether a water meter has been installed when undertaking stock condition surveys.
- Including EPC data in the Keystone database to determine upgrade priorities.
- Including environmental investments in the Keystone database.
- Monitoring existing and new renewable technology pilot homes.
- Reviewing lifecycle costing assumptions and updating them in line with more recent cost benchmarks and recent innovations in construction typology/technologies.

Delivery of Sustainable Homes (New and Existing)

In 2010/11 our focus has been on ensuring a holistic and comprehensive approach to data gathering, analysis and reporting. We have also conducted a lifecycle review to identify major areas of past, current and known future spend to reflect modern methods of construction and green technologies.

Actions included:

- Enhancing sustainability criteria.
- Skills development through site visits and provision of feedback via reports and development briefs.
- Reviewing supply chain frameworks and increasing standards of supplier competency in transport and environmental policies, and materials sources and suppliers.
- Continuing to apply due diligence to site acquisitions and actioning any identified shortfall.
- Ongoing support for environmental champions and project teams.
- Continuing to apply KPIs for new build homes.
- Becoming a WRAP Halving Waste to Landfill signatory to reduce waste, develop sustainable products and use resources in an efficient way.
- Providing sustainability information packs to new tenants.
- Continuing to support resident inclusion in new schemes to ensure that projects have an appropriate communal facility.
- Using Energy Performance Certificates (EPC) results, the “renewables toolkit” and lifecycle costing data to inform investment decisions.
- Reviewing “Feed in Tariff” investment opportunities.
- Monitoring poor performing existing homes and offering to invest in improvements when identified.

Improve Energy, Water and Waste Efficiency in the Group's Own Operations

The key actions we have put in place to improve our own environmental performance are as follows:

- Recording annual recycling and energy data.
- Increased recycling options with the inclusion of batteries and glass, and maintaining a 79% overall recycling rate.
- A reduction in the use of cars for business travel, and an increase in active commuter transport.

Assist the Self-development of Residents

Our Group's activities in assisting the personal development of residents are extensive and include a Community Investment Strategy, a Training Centre where increasing numbers of residents receive training, and a Priority Neighbourhoods Strategy.

Further actions we are carrying out to develop sustainable communities are as follows:

- Advice and encouragement on recycling and composting.
- Continue to work with residents to arrange community initiatives.

In 2011/12 our four primary sustainability objectives will remain and our enhanced data collection and monitoring processes will be used to improve performance.

INVESTMENT IN INFORMATION TECHNOLOGY

Most of this year's focus has been on the first phase of the replacement of our core housing management system and new asset and gas management systems; these went live in February 2011. Planning is well advanced for implementing the remaining phases in Summer and Autumn 2011.

INVESTMENT IN COMMUNITIES

Launched in 2007, our Community Chest provides funding to residents, community projects and charitable organisations working within our areas of operation, contributing to the growth and development of several communities in London and the South East.

The Community Chest sits within the Community Investment Strategy through which Thames Valley Housing Group contributes to the growth and development of the local communities in which we work.

Funded directly from our surpluses, we welcome applications for investments which will:

- Improve the life chances of residents within the wider community through training, capacity building, supporting active citizenship and access to employment; or
- Improve the quality of life within the wider community through supporting community led initiatives to tackle residents' priorities such as community cohesion, crime and the environment; or
- Empower communities by helping them to find a voice and play an active role in turning round their communities; or
- Work with young people to encourage them to play a positive part in their communities and engage in constructive activities; or

- Work with other statutory and voluntary organisations to increase the access for residents living in our neighbourhoods to projects and services which benefit the community.

In 2010/11, the Community Chest contributed to 18 projects directly helping 5,000 households and worked with projects in 10 local authority areas.

In 2011/12 we intend to invest in 20 projects in 10 local authority areas, benefiting some 3,000 households. We will also develop a new youth forum to help lead on our work with young people.

Alongside the Community Chest within the Community Investment Programme, we will also deliver investment in our communities through:

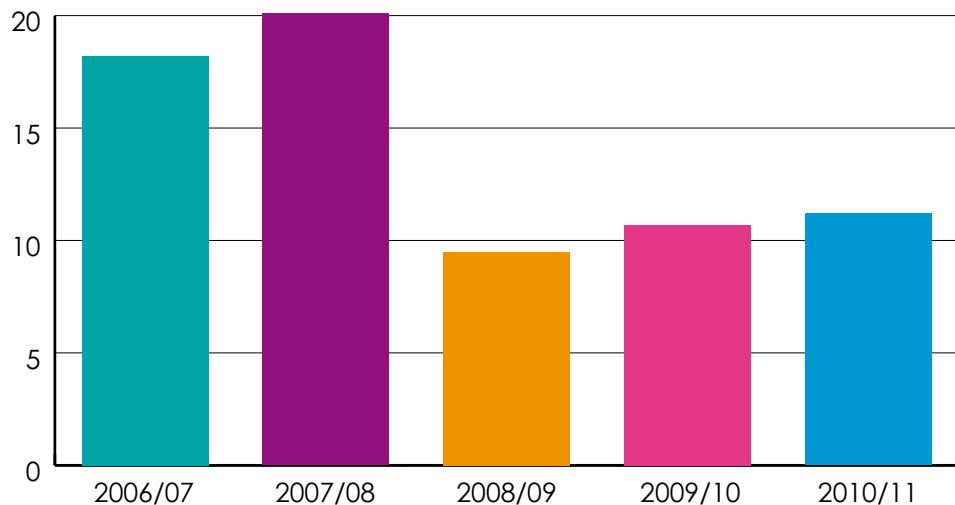
- Our Resident Training & Employment Centre.
- Neighbourhood Improvement Projects.
- A programme of investment in our Young Tenants Programme.

FINANCIAL REVIEW

INCOME AND EXPENDITURE

The Group surplus was £11.2million (2009/10: £10.7million).

Surplus (£m)

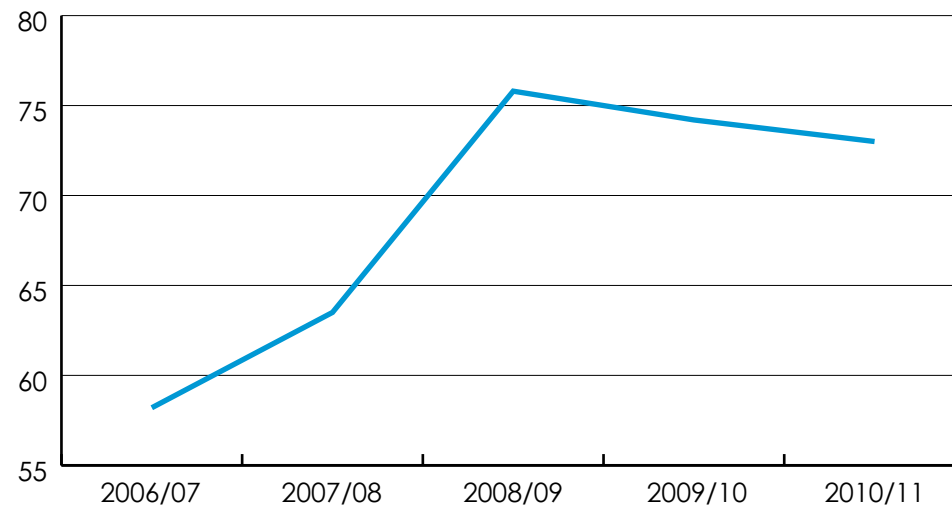


The surplus on sale of fixed assets was £7.2million, exceeding the previous year's £4.9million. The increased surplus on sale of fixed assets was derived mainly from a housing stock rationalisation sale.

Staircasing volumes provided a surplus of £1.5million for the full year.

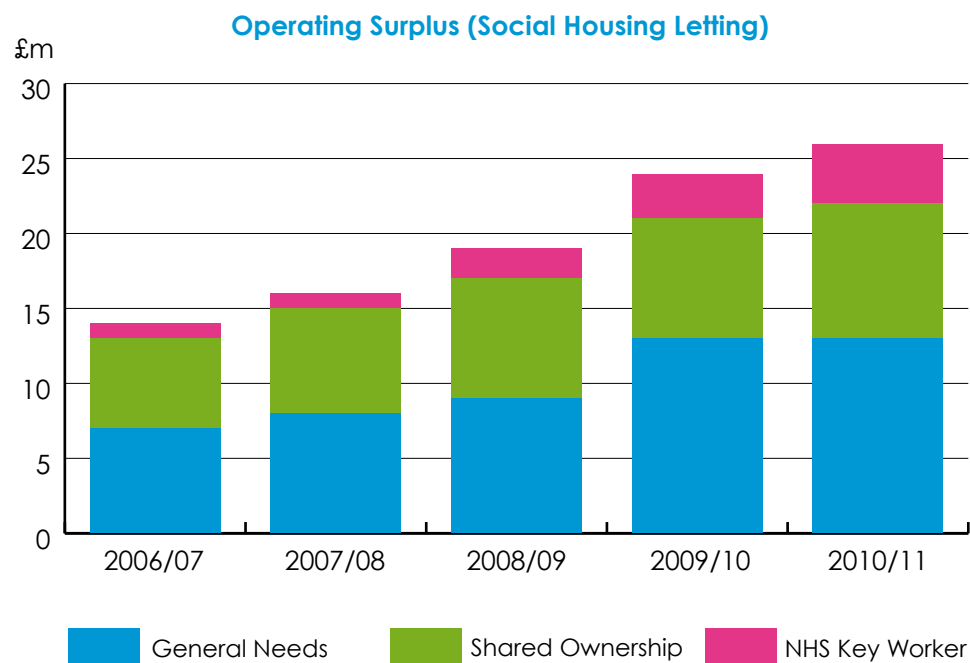
Turnover reduced in the year to £73million (2009/10: £74million) due to reduced volume and proceeds from first tranche sales.

Turnover (£m)



The operating surplus continued to be strong at £22.5million (2009/10: £21.3million). The operating surplus margin has increased in the year to 30.8% (2009/10: 28.7%).

The operating surplus from Social Housing Lettings was £26.2million (2009/10: £23.8million) and analysed by business stream for the last five years was as follows:



The total interest paid to our lenders increased by 12% to £22.3million (2009/10: £20million). After capitalisation of the cost of financing the construction of new homes, the interest cost included in our income and expenditure account was £18.8million (2009/10: £15.7million).

The increase in total interest is entirely due to increased borrowing to finance the development programme.

The major financial performance indicators are:

FINANCIAL PERFORMANCE INDICATORS	2010/11	2009/10
Turnover (£m)	73.0	74.2
Operating surplus (£m)	22.5	21.3
Operating surplus (%)	30.8	28.7
Surplus on sale of fixed assets (£m)	7.2	5.0
Net Interest expense (£m)	18.8	15.7
Surplus (£m)	11.2	10.7
Surplus (%)	15.3	14.5

BALANCE SHEET

Fixed assets have increased by 6.3% in the year to £948.0million (2009/10: £891.8million). Work in progress on Low Cost Home Ownership, which is categorised as current assets, decreased to £20.9million (2009/10: £28.4million). The decrease is substantially due to a reduction in the programme.

The increase in fixed assets has been mainly financed from debt, which has increased by £26.8million to £476.5million (2009/10: £449.7million).

FINANCIAL PERFORMANCE INDICATORS	2010/11 £m	2009/10 £m
Fixed assets	948.0	891.8
Grant	(393.5)	(363.7)
Net current assets/liabilities	75.6	59.7
Debt falling due after one year	(476.5)	(449.7)
Reserves	160.9	149.7

TREASURY STRATEGY

The Group Treasury Strategy is approved annually by the Boards of TVHA and TVCHA and sets out the parameters and control for treasury activities.

In managing its treasury operations the overriding objective of the Group is to avoid unacceptable risk. Having addressed this, the next objective is to maximise treasury returns. The Group has determined that its core borrowing will always be from banks and other lending institutions with an understanding of the business of Registered Providers. With regard to the depositing of surplus cash all investments are made with institutions approved by the Board and which have a minimum Standard and Poor's credit rating of A-1/AA.

Each Association's Board annually reviews its attitude to interest rate risk and approves a Treasury strategy for the year. Detailed five year cash flow forecasts are prepared weekly.

LOAN STRUCTURE

As at 31 March 2011 the Group had drawn loans of £474million.

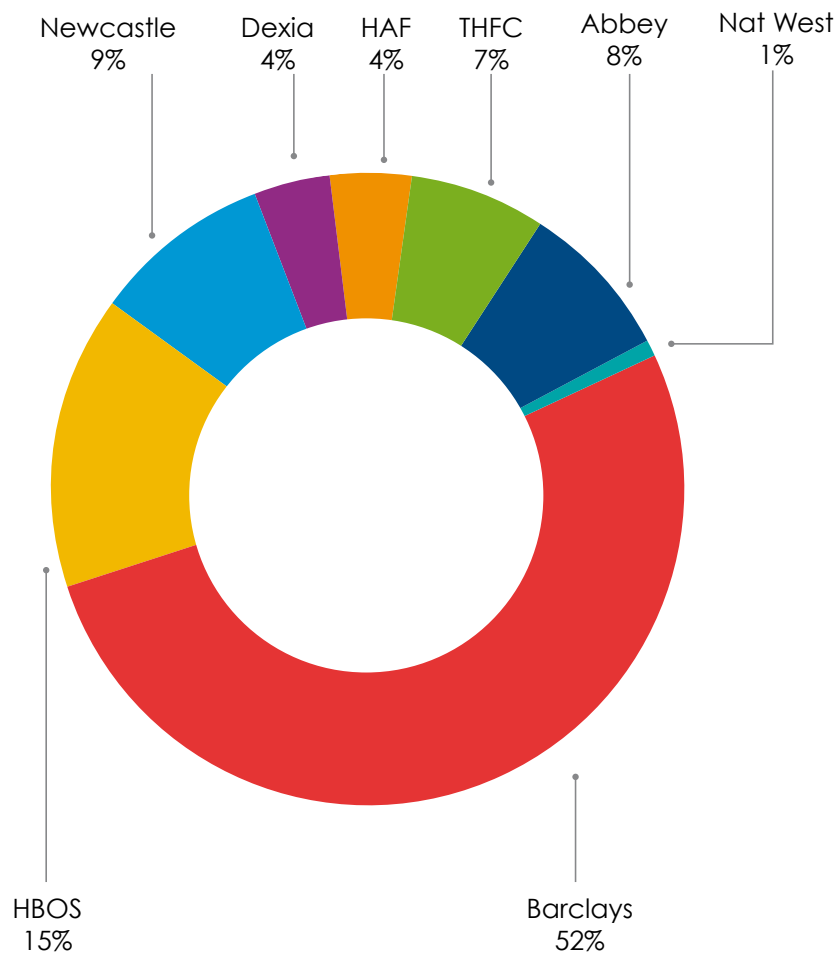
The Group's borrowing is by way of bilateral and syndicated loans and finance from bond issues in the London stock market.

All loans are denominated in Sterling and their maturities are set to cover the financing requirements identified by the Group's 30 year plan.

The Group borrows at both fixed and variable rates and some 92% of the debt at the end of March 2011 was on a fixed rate basis. The Group aims to fix a minimum of 70% of its debt.

All fixed loans are currently secured within existing facilities with lenders. There are currently sufficient facilities for all committed schemes.

Breakdown of Drawn Loans by Lender

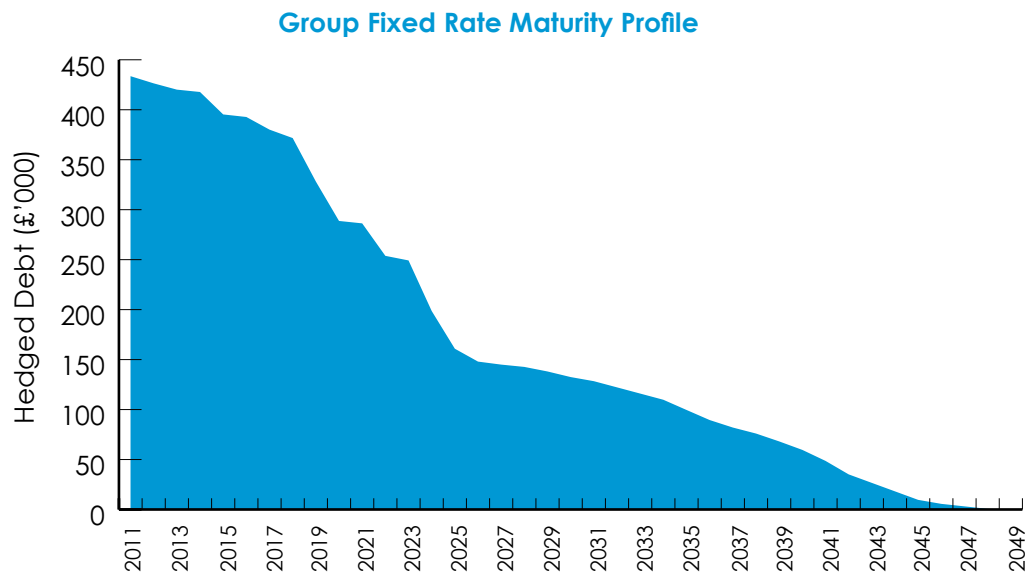


INTEREST RATE RISK MANAGEMENT

The weighted average cost of borrowing in the year was 4.87% (2009/10: 5.00%). The Group reduced average interest costs by fixing £35million during the year at an average all inclusive rate of 4.42%.

Lender margins on new borrowing have remained high during the year. This is expected to be a long term trend. As 92% of Group debt was fixed at year end the Group's exposure to a rise in interest rates is significantly reduced.

The Group's interest expense in the year was as follows:



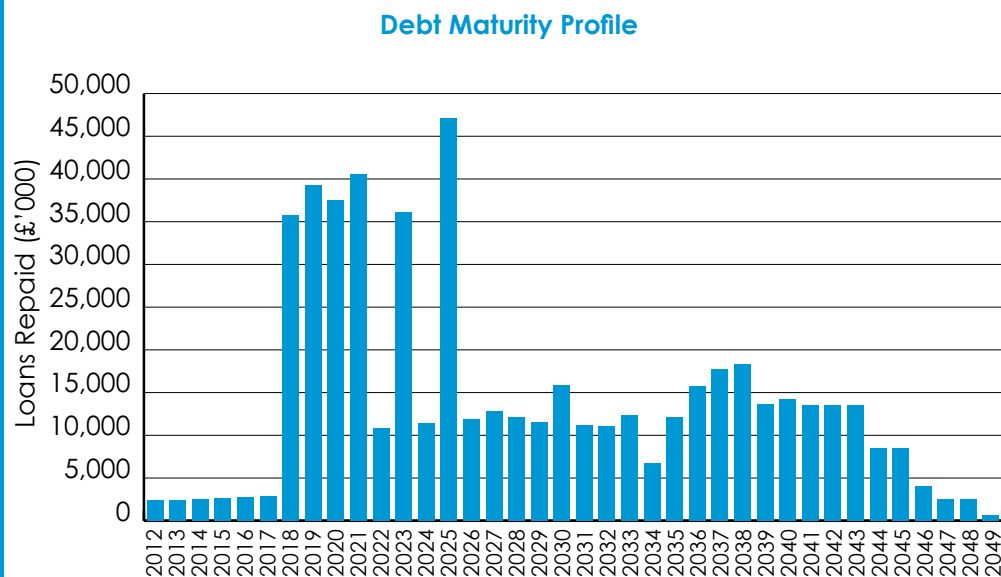
	2010/11	2009/10
Net interest paid to lenders	22.3	19.9
Interest payable charged to Income and Expenditure	18.8	15.6
Interest incurred and capitalised	3.5	4.3

Interest costs rose to finance the expansion of our programmes for new General Needs, Low Cost Home Ownership and NHS Key Worker units.

DEBT REPAYMENT PROFILE

The weighted average maturity of debt is 17 years. The maturity dates of the loan facilities are staged to ensure that unduly large proportions of debt do not mature in the same year.

The debt falls due for repayment as follows:

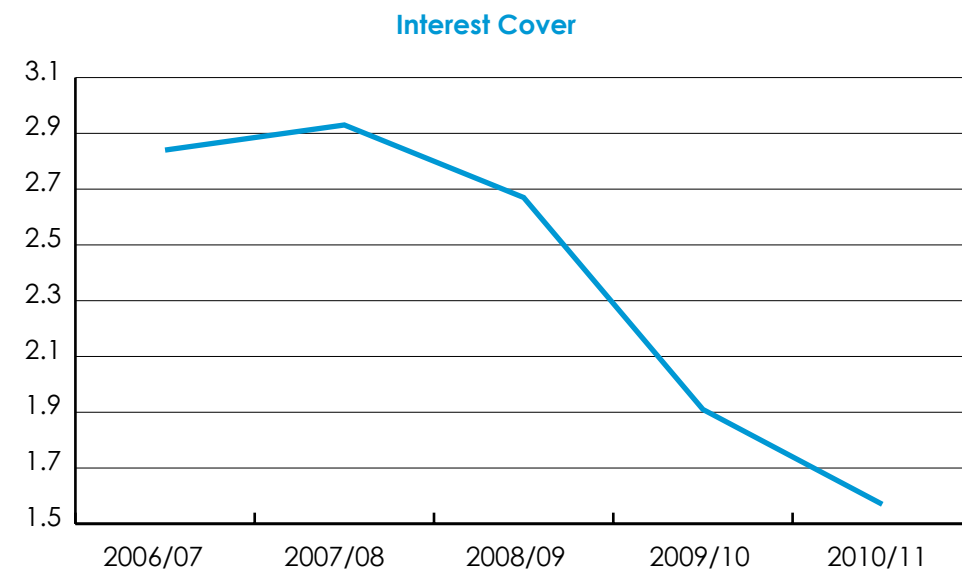


The repayment profile is well balanced – capital repayments as a percentage of total committed facilities in any one year are never more than 9%.

COMPLIANCE WITH LOAN COVENANTS

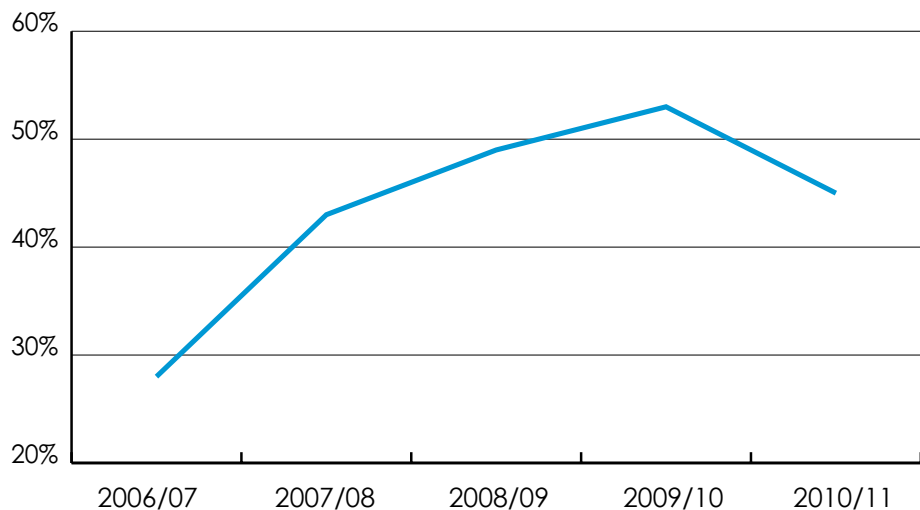
Loan covenants are based primarily on interest cover and gearing. The Group continues to operate comfortably within the limits set by its lenders. The Group has established uniform covenants based on 75% for the gearing ratio and 1.05 for the interest cover ratio.

The Group's interest cover in 2010/11 was 1.57 (2009/10: 1.91).



The Group's gearing ratio has decreased to 49% in 2010/11 (2009/10: 53%). The strengthened gearing is due to Revaluation Gains and receipt of Social Housing Grant.

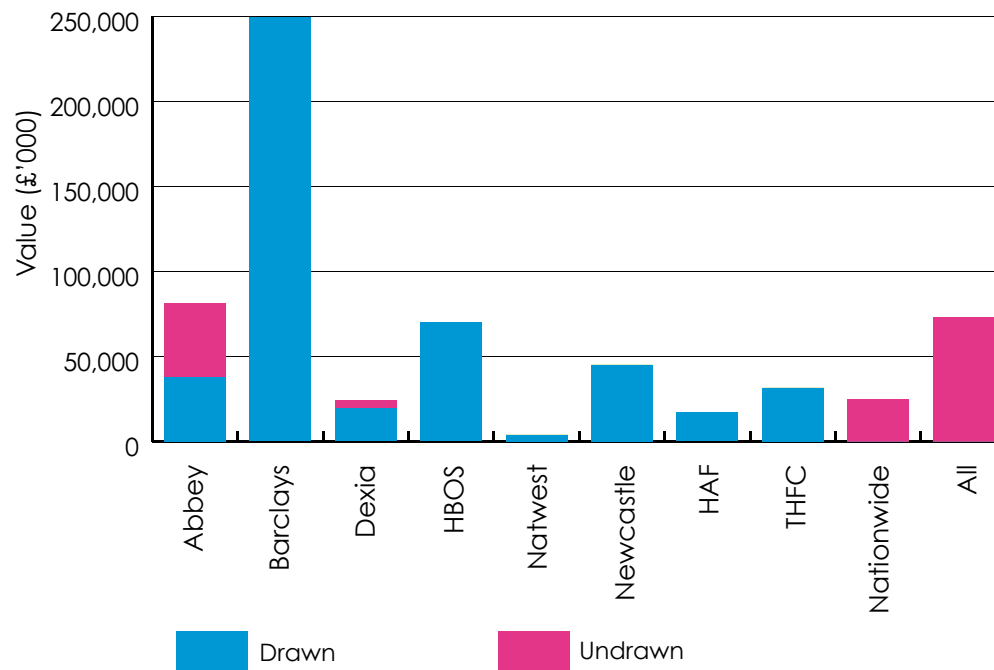
Gearing Ratio



CURRENT LIQUIDITY

At the end of the year the Group had £73million committed and undrawn loan facilities and some 1,000 properties which were not charged to any lender. The Group position is in the graph below, showing how the £474million of drawn funding and £73million of undrawn finance is allocated between lenders.

Loans Summary



With the £73million of undrawn finance available at 31 March 2011 and the cash balance of £67million the Group has sufficient funding for all committed and pipeline developments.

CASH FLOWS

The Group operates an active cash flow management strategy, aiming to maintain cash balances at £500,000, only drawing funds when required. In 2010/11 the Group had an increased cash balance of £69million mainly due to the drawing of fixed rate embedded loans. These loans were forward fixed some 18 months previously in line with the then cash flow projections.

GOING CONCERN

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

STATEMENT OF COMPLIANCE

The Operating and Financial Review has been prepared in accordance with Reporting Standard 1: "Operating and Financial Review", published by the Accounting Standards Board. There have been no departures from that standard.

BOARD REPORT

GROUP BOARD

The Board Members, Executive Officers and Company Secretary of the Association throughout the year and up to the date of approval of these financial statements are listed on page 2.

The Board of Thames Valley Housing Association Limited (TVHA) has ten members. One member of the TVHA Board sits on the Thames Valley Charitable Housing Association Limited (TVCHA) Board and one member of the TVCHA Board sits on the TVHA Board.

GROUP REMUNERATION AND NOMINATIONS COMMITTEE

The Group Remuneration and Nominations Committee oversees the appointment of new board members. In addition it acts as a Remunerations Committee determining annual pay awards, staff related policies and Board remuneration.

In particular, the Committee:

- Approves the job specifications for Board and Committee members;
- Considers and endorses all Board Member appointments;
- Determines policy recommendations concerning annual pay awards and terms and conditions of employment;

The members of the Committee are the Chair and Deputy Chair of each Association. The Committee meets at least twice a year.

GROUP TREASURY COMMITTEE

The Group Treasury Committee exercises delegated powers to fulfil the following duties on behalf of the Group:

- Consider and recommend the Group Treasury Strategy;
- Approve borrowings, loans, derivative transactions and investments.

Members are chosen from either Board, for their expertise in treasury management and meet as and when required.

GROUP INVESTMENT COMMITTEE

The Group Investment Committee considers and makes investment decisions which otherwise require Board approval and fall outside of the authority delegated to the Executive Officers.

Members are chosen for their expertise in investment and development, and meet when required.

GROUP AUDIT AND RISK COMMITTEE

The Group Audit and Risk Committee has responsibility for reviewing the Group's risk management systems, monitoring the integrity of the financial statements and providing oversight of the internal and external audit process.

The composition, roles and responsibilities of the Committee meets the recommendations of the revised UK Corporate Governance Code.

The Group Audit and Risk Committee comprises Members who have extensive skills in Finance, Housing, Project Management, Town Planning, and Health & Safety.

The Committee is required to meet at least four times per year. On one occasion each year, the Committee meets with the external and internal auditors without the presence of staff.

CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Board has complied with the National Housing Federation's Code, "Excellence in Governance: Code for Members" and adopted it as the Group's code of governance in 2010. In 2010 the Board resolved to reduce Board Member's maximum term of office from 12 to 9 years, thus complying with the Code of Governance. However, 2010 to 2014 is a period of transition while some Board Members remain on the Board for a period longer than the 9 year maximum term of office, in order to avoid the loss of leadership and essential skills on the Board.

The Board has adopted a revised Group Code of Conduct, which reflects the requirements set out in the National Housing Federation's Code, "Excellence in Standards of Conduct: Code for Members". In accordance with the Code, the Board received its first annual report on compliance in May 2011.

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This applies to both Associations within the Group.

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

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed and is consistent with the Tenant Services Authority's Governance and Financial Viability standard.

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

The internal control framework and risk management process are subject to regular review by Internal Audit who are responsible for providing independent assurance to the Board via the Group Audit and Risk Committee. The Group Audit and Risk Committee and the Group's Boards consider internal control and risk at their meetings during the year.

The Internal Audit function is externally resourced and reports directly to the Group Audit and Risk Committee. The Internal Audit Programme is linked to the risk identification process.

As part of the system of internal control the Group has a strategy and policy on fraud covering prevention, detection and reporting of fraud and the recovery of assets which meets the Tenant Services Authority requirements. The Group has a Money Laundering Officer.

The Board has received the Executive Officers' annual report on internal controls assurance, including arrangements for managing fraud; the annual review of the effectiveness of the system of internal control from the Group Audit and Risk Committee; and the annual Health & Safety Report and has taken account of any changes needed to maintain the effectiveness of the risk management and control process. The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board. No significant failings or weaknesses were identified and there were no reported cases of fraud recorded in the fraud register.

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

Identification and evaluation of key risks

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

Monitoring and corrective action

A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Boards. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements. The Group Audit and Risk Committee has responsibility for reviewing each Association's risk management systems.

A performance monitoring unit oversees the production of a monthly reporting suite which covers key performance indicators used to monitor performance against the business plan. Performance outcomes are given a traffic light assessment and management responses are formally recorded for required control action.

Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Group follows risk-averse policies to shield it from adverse movements in interest rates. The Board disseminates its requirements to all employees through the Group's policies with regard to the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which all employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, fraud prevention and detection and money laundering. The Group Audit and Risk Committee receives and considers internal audit reports which include recommendations to strengthen the control environment. The Group Audit and Risk Committee receives twice a year a risk management review report from the Chief Executive. The Board of each Association also receives regular risk management review reports each year. The Group Audit and Risk Committee reviews the proportionality, independence and appropriateness of the Group's whistleblowing policy and follow up action. It also receives reports on the entries in the gifts and hospitality register, any instance of fraud or suspected instances of money laundering.

The Group has set up procedures to review and record instances covered by the Bribery Act 2010 and is putting in place a training programme for Board Members and staff. Regular reports will be received by the Group Audit and Risk Committee.

Information and financial reporting systems

Financial reporting procedures include for each Association detailed budgets for the year ahead with a monthly reporting cycle that identifies variances and forecasts for subsequent years with a comprehensive Business Plan for the next 5 and 30 years. These are reviewed and approved by the Boards. The Boards also regularly review key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

STATEMENT OF BOARD RESPONSIBILITIES

The Board is responsible for preparing financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice for each financial year, which gives a true and fair view of the state of affairs of the Association and the Group and of the surplus or deficit for that period. In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association and the Group will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and the Group and to ensure that the financial statements comply with the Industrial & Provident Societies Acts 1965 to 2002, the Industrial & Provident Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Providers General Determination 2006. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

SHARE CAPITAL

Each member of both Boards holds one fully paid share of £1 in the Association which carries no rights to dividends or other income. The Secretary and Executive Officers hold no interest in the Association's share capital.

AUDITORS

All the current Board Members have taken all of the steps that they ought to have taken to make themselves aware of information need by the Association's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Board is not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO LLP as auditors to Thames Valley Housing Association Limited will be proposed at the next Annual General Meeting.

BY ORDER OF THE BOARD



JOHN GARRITY

Chair

Date: 14 July 2011

To The Members Of Thames Valley Housing Association Limited

We have audited the financial statements of Thames Valley Housing Association Limited for the year ended 31 March 2011 which comprise the consolidated and Association Income and Expenditure accounts, the consolidated and Association balance sheets, the consolidated Statement of Total Recognised Surpluses and Deficits, 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 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope Of The Audit Of The Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board Members and the overall presentation of the financial statements.

Opinion On Financial Statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2011 and of the Group's and Association's surplus for the year then ended;
- 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 Requirements for Registered Social Landlords General Determination 2006.

Matters On Which We Are Required To Report By Exception

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

- The information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- Adequate accounting records have not been kept by the Group and 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 Group's and Association's financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.



BDO LLP, Statutory Auditor

Epsom, Surrey
United Kingdom

Date: 4 August 2011

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

	Note	Group		Association	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
TURNOVER	2	72,960	74,166	40,359	45,730
Cost Of Sales	2	(17,085)	(21,196)	(17,085)	(20,975)
Operating Costs	2	(33,376)	(31,677)	(18,365)	(18,534)
Charitable Donation Paid	28	-	-	-	(41,626)
OPERATING SURPLUS/(DEFICIT)		22,499	21,293	4,909	(35,405)
Surplus On Sale Of Fixed Assets	4	7,228	4,962	2,067	44,269
Interest Receivable	7	328	161	94	108
Interest Payable	8	(18,811)	(15,663)	(7,292)	(7,263)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	9	11,244	10,753	(222)	1,709
Tax On Surplus On Ordinary Activities	10	-	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	22	11,244	10,753	(222)	1,709

STATEMENTS OF TOTAL RECOGNISED SURPLUSES AND DEFICITS

	Note	Group		Association	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
REPORTED SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		11,244	10,753	(222)	1,709
Unrealised (Deficit)/Surplus On Revaluation Of Investment Properties	13	(39)	19	(39)	19
TOTAL SURPLUSES/(DEFICITS) RECOGNISED SINCE THE LAST FINANCIAL STATEMENTS		11,205	10,772	(261)	1,728

All amounts relate to continuing activities. There is no difference between the results disclosed in the Income and Expenditure accounts and those on an unmodified historical cost basis.

The notes on pages 41 to 76 form part of these financial statements.

	Note	Group		Association	
		2011 £'000	2010* £'000	2011 £'000	2010* £'000
TANGIBLE FIXED ASSETS					
Housing Properties At Cost	11	947,968	891,807	325,539	285,205
Social Housing Grant	11	(393,552)	(363,699)	(97,597)	(84,508)
Depreciation	11	(12,845)	(8,926)	(3,963)	(2,041)
		541,571	519,182	223,979	198,656
Other Fixed Assets	13	4,419	4,521	4,184	4,422
Homebuy Equity Loans Advanced	14	92,663	96,671	92,663	96,671
Grant Received On Homebuy Equity Loans	14	(76,829)	(80,619)	(76,829)	(80,619)
		561,824	539,755	243,997	219,130
CURRENT ASSETS					
Stock And Work In Progress	15	22,018	30,036	20,978	32,167
Debtors:					
Amounts Receivable Within One Year	16	7,750	4,087	5,293	1,907
Amounts Receivable After One Year	16	378	-	378	-
Cash At Bank And In Hand		67,038	45,812	12,876	8,526
		97,184	79,935	39,525	42,600
CREDITORS					
Amounts Falling Due Within One Year	17	(21,592)	(20,265)	(87,211)	(61,395)
NET CURRENT ASSETS/(LIABILITIES)		75,592	59,670	(47,686)	(18,795)
TOTAL ASSETS LESS CURRENT LIABILITIES		637,416	599,425	196,311	200,335
CREDITORS					
Amounts Falling Due After More Than One Year	17	476,519	449,733	133,612	137,375
CAPITAL AND RESERVES					
Non-Equity Share Capital	21	-	-	-	-
Revenue Reserve	22	160,671	149,427	62,481	62,703
Investment Property Revaluation Reserve	22	226	265	218	257
		637,416	599,425	196,311	200,335

* As re-stated in Note 11

These financial statements were approved and authorised for issue by the Board on 14 July 2011 and signed on its behalf by:



JOHN GARRITY

Chair



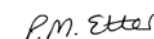
GERARD McCORMACK

Chair, Group Audit & Risk Committee



JACK STEPHEN

Finance Director



PATRICIA ETTER

Company Secretary

The notes on the pages 41 to 76 form part of these financial statements

	Notes	2011		2010	
		£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	23		32,549		38,905
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest Received		328		161	
Interest Paid		(22,081)		(20,145)	
			(21,753)		(19,984)
			10,796		18,921
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Proceeds From Sales Of Low Cost Home Ownership					
Subsequent Tranches And Right To Buy/Acquire		12,497		14,070	
Construction And Purchase Of Housing Properties		(61,607)		(78,032)	
Purchase Of Other Fixed Assets		(1,446)		(1,269)	
Social Housing Grant Received		26,593		16,986	
Homebuy Grants Received		204		8,233	
Homebuy Loans Advanced		-		(18,929)	
Homebuy Loans Redeemed		3,467		4,813	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			(20,292)		(54,128)
CASH OUTFLOW BEFORE FINANCING			(9,496)		(35,207)
FINANCING					
Loans Received		33,010		73,711	
Loans Repaid		(2,288)		(1,676)	
NET CASH INFLOW FROM FINANCING	23		30,722		72,035
INCREASE IN CASH IN THE YEAR	23		21,226		36,828

The notes on pages 41 to 76 form part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with:

- The Industrial and Provident Societies Acts 1965 to 2002.
- The Industrial and Provident Societies (Group Accounts) Regulations 1969.
- The Accounting Requirements for Registered Social Landlords General Determination 2006.
- Applicable Accounting Standards with special regard to the Statement of Recommended Practice; "Accounting by Registered Social Landlords 2008".

Basis of Consolidation

The consolidated accounts comprise the financial statements of Thames Valley Housing Association Limited and its subsidiary undertaking Thames Valley Charitable Housing Association Limited. Intra-group transactions are eliminated on consolidation. The consolidated financial statements have been prepared in accordance with FRS2 "Accounting for Subsidiary Undertakings".

Turnover

Turnover represents rental income receivable (after deducting lost rent from void properties available for letting), first tranche sales of Low Cost Home Ownership housing properties developed for sale, service charges receivable, income from Homebuy activities, revenue grants from the HCA and proceeds from the sale of land and property.

Housing Properties

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

If housing properties are being developed on behalf of other associations outside the Group under agency arrangements, the costs concerned are dealt with under current assets as properties held for resale.

Completed housing properties are stated at cost.

Separate disclosure of a valuation of the housing properties based on Existing Use Value for Social Housing (EUUV-SH) is also provided in Note 12 on the financial statements.

Housing properties are subject to annual impairment reviews. This has been done on a portfolio basis in accordance with the way these properties are managed.

If housing properties have suffered impairment, the fall in value down to the recoverable amount is recognised in the income and expenditure account after deducting any related Social Housing Grant.

Pre-Contract Costs

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

Social Housing Grant

Social Housing Grant (SHG) is a capital grant made towards the cost of acquiring and/or building housing for rent or sale.

SHG is repayable unless formally abated or waived although it can be recycled (see Recycled Capital Grant Fund below). On the occurrence of certain relevant events, primarily following the sale of property, the SHG repayable or to be recycled will be restricted to the net proceeds of sale where appropriate. In recognition of this, the HCA's right to recover SHG is subordinated to loans from external lenders.

SHG which is received in advance of total development costs being incurred is shown as a current liability.

SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the income is received.

Homebuy Equity Loans

Loans advanced by the Association are disclosed in the tangible fixed asset section of the balance sheet with the associated SHG.

The Association has advanced two types of Homebuy Equity Loans; "Open Market Homebuy" and "MyChoice Homebuy". Under Open Market Homebuy the Association received Social Housing Grant (SHG) representing a percentage of the open market purchase price of a property in order to advance interest free loans of the same amount to a homebuyer. The homebuyer met the balance of the purchase price from a combination of personal mortgage and their own resources.

Under MyChoice Homebuy the Association also issued a loan representing a percentage of the open market purchase price of the properties. 50% of this loan is funded from the Association's own resources and the balance is funded by SHG.

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

of MyChoice Homebuy, the Association could incur a loss if the shortfall exceeds the abated grant.

Capitalisation of Interest and Development Costs

Interest on the Group's borrowings attributable to development schemes is capitalised in housing properties up to the date of practical completion of each scheme. The interest (after deduction of interest on Social Housing Grant received in advance) is on borrowings deemed to be financing schemes.

Other costs that are directly attributable to bringing housing properties to practical completion are capitalised.

Expenditure On Completed Properties

The Group capitalises major repairs expenditure on housing properties which enhances their economic benefit in excess of the previously assessed standard of performance of the property. All other expenditure incurred over a property's life to maintain the original fabric is charged to the income and expenditure account as incurred.

Depreciation

Housing properties, excluding land, are depreciated over their estimated useful economic lives on a straight line basis. With the advice of professional valuers, Jones Lang LaSalle, Chartered Surveyors, the Association has estimated the useful economic life of freehold property to be 125 years. Leasehold properties are depreciated over the life of the lease.

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

Office furniture and equipment	25%
Computer hardware	33%
Computer software	14%
Key Worker & Student Accommodation furnishings and equipment	25%
Leasehold improvements	over the lease period

Stock and Work in Progress

Under shared ownership arrangements, the Association sells a long leasehold interest in Low Cost Home Ownership housing units, the "first tranche" at a lease premium from 25% to 75% of Open Market Value. The part owner of a low cost home has the right to purchase further proportions up to 100% at the then current valuation.

Low Cost Home Ownership property costs are split between current and fixed assets based on the first tranche proportion. Following this treatment the first tranche proportion is accounted for as a current asset and included in stock and work in progress. The remaining element of the Low Cost Home Ownership property is accounted for as a fixed asset. Any subsequent tranche sale is treated as a part disposal of a fixed asset and the transaction is disclosed in the income and expenditure account after the operating result as a surplus or deficit on sale of fixed assets.

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

Stock and work in progress includes properties developed on behalf of the subsidiary undertaking and other Registered Providers of Social Housing under grant agency arrangements.

Where properties have been developed on behalf of the subsidiary undertaking, these assets are shown within stock and work in progress in the Association's accounts but transferred to fixed assets on consolidation.

Stock and work in progress is stated at the lower of cost and net realisable value (NRV). NRV is based on the actual or estimated selling price less all further costs to completion and to be incurred in marketing, selling and distribution. Assessing NRV requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts of future sales activity.

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

Investment Properties

Investment properties are stated at independent valuation based on the Open Market Value of the properties. In accordance with Statement of Standard Accounting Practice 19 – "Accounting for Investment Properties" no depreciation is charged.

Deferred Taxation

No deferred tax arises as taxable surpluses are offset by regular gift aid payments.

Recycled Capital Grant Fund and Disposal Proceeds Fund

Following certain relevant events, primarily the sale of dwellings, the Homes and Communities Agency (HCA) can direct the Group to recycle Social Housing Grant (SHG) or to repay the recoverable capital grant back to the HCA. Where the grant is recycled the recoverable capital grant is credited to a Recycled Capital Grant Fund where it can remain for up to three years.

Where the sale of dwellings arises under the Right to Acquire, the proceeds after deducting appropriate costs are credited to a Disposal Proceeds Fund, where it can remain for up to three years. These funds are included as creditors due within one year or due after more than one year as appropriate to the circumstances.

Pension Costs

The Association participates in the industry-wide, multi-employer Social Housing Pension Scheme which is a defined benefit pension scheme. Retirement benefits to employees of the Association are funded by contributions from the Association and employees participating in the scheme. Payments are made to a fund administered by the Pensions Trust, an independent trust providing superannuation benefits for employees of a number of organisations. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating employers taken as a whole. The expected cost to the Association of pension contributions is charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees.

Loan Issue Costs

Loans received are shown net of the initial cost of raising finance. These costs including legal fees are deducted from loan proceeds and are amortised over the term of the debt on a straight line basis.

Deferred Interest Loans and Indexed Loans

The Group has deferred interest loans and indexed loans. In all cases the Group charges an annual interest cost that reflects the full rate of interest implicit in the loan irrespective of the timing of cash payments.

Managed Accommodation

The Group owns accommodation which is managed by other organisations. The Group receives income to cover its responsibilities under a management agreement and therefore its liabilities are limited to the terms of the agreement. The Group's income and expenditure account only includes that which relates solely to the Group.

Provisions

The Group only provides for legal or contractual liabilities and constructive obligations which exist at the balance sheet date. The provisions are assessed at each Balance Sheet date in order to ensure that they are measured at the current best estimate at the balance sheet date of the expenditure required to settle the obligation.

Operating Leases

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

VAT

A large proportion of the Group's turnover comprises rental income which is exempt for VAT purposes and gives rise to a partial exemption claim. Expenditure is therefore shown inclusive of VAT. Recoverable VAT arising from partially exempt activities is credited to the income and expenditure account and is included under Other Social Housing Activities in Note 2.

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING RESULTS - GROUP

	2011				2010			
	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus/ (Deficit) £'000	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus/ (Deficit) £'000
Social Housing Lettings (Note 3)	51,476	-	(25,305)	26,171	47,723	-	(23,962)	23,761
1st Tranche Low Cost Home Ownership Sales	14,374	(13,573)	-	801	20,825	(19,744)	-	1,081
Stock Provision*	-	(1,799)	-	(1,799)	-	(1,231)	-	(1,231)
Income From Homebuy Loans	1,093	-	-	1,093	860	-	-	860
Right To Buy Leaseholder Activities	423	-	(422)	1	492	-	(455)	37
Group Operating And Policy Costs	-	-	(3,720)	(3,720)	-	-	(3,043)	(3,043)
Property Development Costs	-	-	(402)	(402)	-	-	(619)	(619)
Properties Developed for Other Registered Providers	1,717	(1,713)	-	4	189	(221)	-	(32)
Other Social Housing Activities**	1,419	-	(2,007)	(588)	1,835	-	(2,413)	(578)
Non-Social Housing Activities:								
Student Accommodation	1,805	-	(1,323)	482	1,737	-	(1,061)	676
Market Renting	653	-	(197)	456	505	-	(124)	381
	72,960	(17,085)	(33,376)	22,499	74,166	(21,196)	(31,677)	21,293
OPERATING SURPLUS				22,499				21,293

* A provision of £1,799k (2009/10: £1,231k) has been made in the accounts for potential losses on certain future first tranche sales, reducing the stock to the lower of cost or net realisable value.

** This Includes Social Housing Grant taken to income of £840k (2009/10: £1,214k).

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING RESULTS - ASSOCIATION

	2011				2010			
	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus/ (Deficit) £'000	Turnover £'000	Cost of Sales £'000	Operating Costs £'000	Operating Surplus/ (Deficit) £'000
Social Housing Lettings (Note 3)	14,007	-	(5,765)	8,242	15,380	-	(6,404)	8,976
First Tranche Low Cost Home Ownership Sales	14,374	(13,573)	-	801	20,825	(19,744)	-	1,081
Stock Provision*	-	(1,799)	-	(1,799)	-	(1,231)	-	(1,231)
Income From Homebuy Loans	1,093	-	-	1,093	860	-	-	860
Group Operating And Policy Costs	-	-	(3,720)	(3,720)	-	-	(3,043)	(3,043)
Development Services To Subsidiary	1,350	-	(1,350)	-	1,919	-	(1,919)	-
Property Development Costs	-	-	(402)	(402)	-	-	(1,262)	(1,262)
Properties Developed for Other Registered Providers	1,717	(1,713)	-	4	-	-	-	-
Other Social Housing Activities**	7,215	-	(6,947)	268	6,245	-	(5,782)	463
Non-Social Housing Activities:								
Market Renting	603	-	(181)	422	501	-	(124)	377
	40,359	(17,085)	(18,365)	4,909	45,730	(20,975)	(18,534)	6,221
Charitable Donation paid				-				(41,626)
OPERATING SURPLUS / (DEFICIT)				4,909				(35,405)

* A provision of £1,799k has been made in the accounts for potential losses on certain future first tranche sales, reducing the stock to the lower of cost or net realisable value.

** This Includes Social Housing Grant taken to income of £343k (2009/10: £617k).

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

	General Needs Housing £'000	Low Cost Home Ownership £'000	Key Worker Accommodation £'000	Supported Housing £'000	Total 2011 £'000	Total 2010 £'000
Rents Receivable	25,625	11,343	6,310	270	43,548	40,328
Service Charges Receivable	2,740	3,272	1,785	131	7,928	7,395
Net Rental Income	28,365	14,615	8,095	401	51,476	47,723
Turnover From Social Housing Lettings	28,365	14,615	8,095	401	51,476	47,723
Expenditure On Social Housing Lettings						
Management	2,805	942	643	8	4,398	5,936
Services	3,804	2,980	1,768	83	8,635	7,277
Routine Maintenance	4,201	310	626	102	5,239	4,117
Gas Servicing Contract	947	4	62	1	1,014	606
Major Repairs Expenditure	2,260	233	179	35	2,707	3,347
Rent Losses From Bad Debts	340	39	99	2	480	582
Depreciation Of Housing Properties	1,044	811	672	1	2,528	1,618
Other Costs	144	2	157	1	304	479
Operating Costs On Social Housing Lettings	15,545	5,321	4,206	233	25,305	23,962
Operating Surplus On Social Housing Lettings	12,820	9,294	3,889	168	26,171	23,761
Void Losses	97	3	133	3	236	274
Expenditure On Works To Existing Properties						
Amounts Expensed To The Income And Expenditure Account					2,707	3,347
Amounts Capitalised In Fixed Asset Housing Properties					1,178	1,459
					3,885	4,806

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

	General Needs Housing £'000	Low Cost Home Ownership £'000	Key Worker Accommodation £'000	Total 2011 £'000	Total 2010 £'000
Rents Receivable	753	8,690	1,393	10,836	11,991
Service Charges Receivable	52	2,635	484	3,171	3,389
Net Rental Income	805	11,325	1,877	14,007	15,380
Turnover From Social Housing Lettings	805	11,325	1,877	14,007	15,380
Expenditure On Social Housing Lettings					
Management	139	670	244	1,053	1,721
Services	85	2,597	486	3,168	3,233
Routine Maintenance	73	102	207	382	316
Major Repairs Expenditure	(30)	168	128	266	362
Rent Losses From Bad Debts	3	(52)	58	9	166
Depreciation Of Housing Properties	36	720	129	885	611
Other Costs	1	1	-	2	(5)
Operating Costs On Social Housing Lettings	307	4,206	1,252	5,765	6,404
Operating Surplus On Social Housing Lettings	498	7,119	625	8,242	8,976
Void Losses	10	3	71	84	95
Expenditure On Works To Existing Properties					
Amounts Expensed To The Income And Expenditure Account				266	362
Amounts Capitalised In Fixed Asset Housing Properties				111	370
				377	732

4. SURPLUS ON SALE OF FIXED ASSETS

	2011 £'000	2010 £'000
GROUP		
Completed Housing Properties And Other Fixed Assets		
Proceeds Of Sale	12,962	13,569
Attributable Net Book Value	(5,269)	(8,688)
Abated Grant	171	311
	7,864	5,192
Incidental Selling Costs And Attributable Overheads	(636)	(230)
Surplus On Sale Of Fixed Assets	7,228	4,962
ASSOCIATION		
Completed Housing Properties And Other Fixed Assets		
Proceeds Of Sale	5,143	8,662
Proceeds of Sale To Subsidiary Undertaking	-	60,134
Attributable Net Book Value	(2,817)	(6,485)
Attributable Net Book Value: Subsidiary Undertaking	(42)	(18,089)
Abated Grant	159	311
	2,443	44,533
Incidental Selling Costs And Attributable Overheads	(376)	(264)
Surplus	2,067	44,269

5. DIRECTORS' EMOLUMENTS AND EXPENSES – GROUP AND ASSOCIATION

For the purpose of this note, the Directors are the Board Members (Non-Executive Directors) and the Executive Officers as shown on page 2.

	2011 £'000	2010 £'000
Aggregate Emoluments And Expenses Payable To The Executive Officers (Including Pension Contributions And Benefits In Kind)	595	575
Aggregate Emoluments And Expenses Payable To The Non-Executive Directors:		
Group	96	89
Association	53	66
Emoluments Payable To The Highest Paid Director, Who Was Also The Chief Executive (Excluding Pension Contributions) Were As Follows:		
Salary Including Benefits In Kind	158	152

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

	2011 £'000	2010 £'000
Total Expenses Reimbursed To The Directors Not Chargeable To United Kingdom Income Tax:		
Group	7	7
Association	3	5

5. DIRECTORS' EMOLUMENTS AND EXPENSES – GROUP AND ASSOCIATION

Individual Emoluments Paid To The Non-Executive Directors

Thames Valley Housing Association Limited		2011	2010
		£	£
John Garrity	Chair	10,000	8,000
Laure Duhot	Deputy Chair	6,000	4,000
Peter Williams*		8,000	12,000
Gerard McCormack*	Chair of Group Audit & Risk Committee	10,000	9,000
Dean Mayer*		4,000	4,000
Benita Mehra		6,000	6,167
Richard Stanley		6,000	8,000
Martin Taylor		3,000	6,833
Dozie Azubike		-	1,667
Roland Beadle*		-	1,000
Jennie Devereux		-	1,000
Steve Henson		-	1,000
Iain Long		-	1,000
David Smith		-	1,000
Jane Staveley		-	1,667
Thames Valley Charitable Housing Association Limited		2011	2010
		£	£
Jane Staveley	Chair	10,000	2,333
David Smith	Deputy Chair	8,000	5,333
Dozie Azubike*		4,000	2,333
Roland Beadle*		4,000	3,000
Jennie Devereux		1,000	3,000
Brian Hendon*		3,000	-
Steve Henson		6,000	4,167
Richard Hornby		3,000	-
Iain Long		4,000	3,000

* Members of the Group Audit & Risk Committee

Steve Henson also served on the Board of Thames Valley Housing Association during the year as a Joint Member with Thames Valley Charitable Housing Association. His remuneration is paid by Thames Valley Charitable Housing Association. Non-Executive Director remuneration constituted 0.1% of turnover.

6. EMPLOYEE INFORMATION

The average number of employees (including Executive Officers) of the Group expressed in full time equivalents during the year was:

	2011 Number	2010 Number
Employees	212	220
Employee Costs (For The Above Persons)	£'000	£'000
Wages And Salaries	8,086	7,850
Social Security Costs	700	712
Pension Costs (See Note 24)	735	749
	9,521	9,311

7. INTEREST RECEIVABLE

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Interest Receivable On Bank Deposits	328	161	94	108

8. INTEREST PAYABLE

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
On Bank Loans, Overdrafts And Other Loans Repayable Wholly Or Partly In More Than 5 Years	22,284	19,939	6,127	7,524
Interest Payable To Subsidiary Undertaking	-	-	3,327	2,013
Interest Payable And Accrued To The Recycled Capital Grant Fund And Disposal Proceeds Fund	65	54	63	54
	22,349	19,993	9,517	9,591
Interest Capitalised In Housing Property Costs	(3,538)	(4,330)	(2,225)	(2,328)
	18,811	15,663	7,292	7,263

Interest was capitalised at an average rate of 4.87% on both the Group and Association's borrowing required to finance housing property developments (2009/10: 5.0% Group and Association).

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAX

	Note	Group		Association	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Is Stated After Charging					
Depreciation	11, 13	4,660	3,265	2,365	1,502
Operating Lease Charges:					
Land And Buildings		450	443	450	443
Other		5	5	5	5
Auditors' Remuneration:					
In Their Capacity As External Auditors		61	66	41	40
In Their Capacity As Tax Advisers		41	40	41	40

Auditors' remuneration is inclusive of VAT and related expenses.

10. TAXATION

No charge to corporation tax arises on the results for the year (2009/10: £nil).

The current tax charge of nil for the year is lower than the standard rate of corporation tax in the United Kingdom of 28% (2009/10: 28%).

The differences are explained below.

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Surplus/(Deficit) Per Accounts	11,244	10,753	(222)	1,709
Surplus/(Deficit) At Standard Rate Of Corporation Tax Of 28%	3,148	3,011	(62)	478
Effects Of:				
Expenses Not Deductible For Tax Purposes	294	5	294	5
Differences Between Chargeable Gain And Surplus On Disposal	(370)	(775)	(370)	(11,781)
Depreciation In Excess Of Capital Allowances	138	420	138	420
Gift Aid	-	-	-	10,878
Charitable Income	(3,210)	(2,661)	-	-
	-	-	-	-

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES – GROUP

	Key Worker & Student Accommodation		Housing Properties		Low Cost Home Ownership		Intermediate Rented	Market Rented	Total £'000
	Completed Properties Held for Letting £'000	Properties Under Construction £'000	Completed Held For Letting £'000	Under Construction £'000	Completed Properties £'000	Properties Under Construction £'000	Completed Properties £'000	Completed Properties £'000	
Cost									
At 1 April 2010	56,199	39,411	438,284	66,443	243,717	35,990	9,607	2,156	891,807
Transfer (To)/ From Current Assets As At 1 April 2010		(1,307)	1,754			(44)			403
At 1 April 2010 After Transfer To Current Assets	56,199	38,104	440,038	66,443	243,717	35,946	9,607	2,156	892,210
Additions At Cost:									
New Developments	-	8,805	-	24,156	-	29,633	2,736	-	65,330
Works To Existing Properties	143	-	1,611	-	635	-	11	-	2,400
Reclassification	3	-	(449)	(129)	(3,672)	4,814	30	7	604
Schemes Completed	9,387	(9,387)	67,641	(67,641)	55,872	(55,872)	-	-	-
Change of Tenure	-	(5,077)	-	(558)	-	5,635	-	-	-
Transfer To Current Assets	-	-	(2,756)	(4,954)	381	-	3,136	-	(4,193)
Disposals:									
Voluntary Sales	-	-	(4,383)	(55)	(673)	-	-	(14)	(5,125)
Staircasing Sales	-	-	-	-	(3,258)	-	-	-	(3,258)
At 31 March 2011	65,732	32,445	501,702	17,262	293,002	20,156	15,520	2,149	947,968
Less Social Housing Grant									
At 1 April 2010	-	-	234,931	27,795	86,654	9,589	4,730	-	363,699
Social Housing Grant Received	-	-	71	27,276	46	11,552	2,126	-	41,071
Reclassification	-	-	(724)	736	(2,604)	2,622	(434)	-	(404)
Schemes Completed	-	-	32,497	(32,497)	16,965	(16,930)	-	-	35
Change of Tenure	-	-	-	-	-	-	-	-	-
Transfer To Current Assets	-	-	(3,803)	(2,823)	(76)	-	-	-	(6,702)
Disposals:									
Voluntary Sales	-	-	(2,840)	-	(60)	-	-	-	(2,900)
Staircasing Sales	-	-	-	-	(1,247)	-	-	-	(1,247)
At 31 March 2011	-	-	260,132	20,487	99,678	6,833	6,422	-	393,552

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES – GROUP (continued)

	Key Worker & Student Accommodation		Housing Properties		Low Cost Home Ownership		Intermediate Rented	Market Rented	Total £'000
	Completed Properties Held for Letting £'000	Properties Under Construction £'000	Completed Held For Letting £'000	Under Construction £'000	Completed Properties £'000	Properties Under Construction £'000	Completed Properties £'000	Completed Properties £'000	
Less Depreciation									
At 1 April 2010	2,083	-	4,514	-	2,235	-	32	62	8,926
Charge For The Year	1,214	-	1,051	-	816	-	64	6	3,151
Reclassification	-	-	(113)	-	717	7	-	7	618
Transfer to Current Assets	-	-	(53)	-	(4)	-	-	-	(57)
Impairment	-	-	-	-	-	827	-	-	827
Sale of Assets	-	-	(20)	-	(586)	-	-	(14)	(620)
At 31 March 2011	3,297	-	5,379	-	3,178	834	96	61	12,845
Net Book Value									
At 31 March 2011	62,435	32,445	236,192	(3,225)	190,146	12,489	9,002	2,088	541,571
At 31 March 2010	54,116	39,411	198,839	38,648	154,828	26,401	4,845	2,094	519,182

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES – ASSOCIATION

	Key Worker & Student Accommodation		Housing Properties		Low Cost Home Ownership		Intermediate Rented	Market Rented	Total £'000
	Completed Properties Held for Letting £'000	Properties Under Construction £'000	Completed Held For Letting £'000	Under Construction £'000	Completed Properties £'000	Properties Under Construction £'000	Completed Properties £'000	Completed Properties £'000	
Cost									
At 1 April 2010	7,141	14,410	7,962	3,939	204,558	35,990	9,607	1,598	285,205
Transfer (To)/From Current Assets As At 1 April 2010		(1,307)	1,754			(44)			403
At 1 April 2010 After Transfer To Current Assets	7,141	13,103	9,716	3,939	204,558	35,946	9,607	1,598	285,608
Additions At Cost:									
New Developments	-	2,474	-	22	-	29,633	2,736	-	34,865
Works To Existing Properties	103	-	635	-	581	-	11	-	1,330
Reclassification	3	-	(336)	(129)	(3,712)	4,814	30	7	677
Schemes Completed	9,387	(9,387)	3,219	(3,219)	55,872	(55,872)	-	-	-
Change of Tenure	-	(5,077)	-	(558)	-	5,635	-	-	-
Transfer To Subsidiary	-	-	-	-	(42)	-	-	-	(42)
Transfer To Current Assets	-	-	3,119	-	381	-	3,136	-	6,636
Disposals:									
Sale of Assets	-	-	-	(55)	(673)	-	-	(14)	(742)
Staircasing Sales	-	-	-	-	(2,793)	-	-	-	(2,793)
At 31 March 2011	16,634	1,113	16,353	-	254,172	20,156	15,520	1,591	325,539
Less Social Housing Grant									
At 1 April 2010	-	-	2,758	1,952	65,479	9,589	4,730	-	84,508
Social Housing Grant Received	-	-	-	-	46	11,552	2,126	-	13,724
Reclassification	-	-	-	-	(2,758)	2,621	(434)	-	(571)
Schemes Completed	-	-	1,952	(1,952)	16,930	(16,930)	-	-	-
Transfer To Current Assets	-	-	988	-	(76)	-	-	-	912
Disposals:									
Staircasing Sales	-	-	-	-	(916)	-	-	-	(916)
Sale of Assets	-	-	-	-	(60)	-	-	-	(60)
At 31 March 2011	-	-	5,698	-	78,645	6,832	6,422	-	97,597

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES – ASSOCIATION (continued)

	Key Worker & Student Accommodation		Housing Properties		Low Cost Home Ownership		Intermediate Rented	Market Rented	Total £'000
	Completed Properties Held for Letting £'000	Properties Under Construction £'000	Completed Held For Letting £'000	Under Construction £'000	Completed Properties £'000	Properties Under Construction £'000	Completed Properties £'000	Completed Properties £'000	
Less Depreciation									
At 1 April 2010	211	-	69	-	1,667	-	32	62	2,041
Charge For The Year	129	-	36	-	718	-	64	6	953
Reclassification	-	-	10	-	718	7	-	7	742
Impairment	-	-	-	-	-	827	-	-	827
Eliminated On Disposals	-	-	-	-	(586)	-	-	(14)	(600)
At 31 March 2011	340	-	115	-	2,517	834	96	61	3,963
Net Book Value									
At 31 March 2011	16,294	1,113	10,540	-	173,010	12,490	9,002	1,530	223,979
At 31 March 2010	6,930	14,410	5,135	1,987	137,412	26,401	4,845	1,536	198,656

* Reclassification: Certain costs relating to the cost of constructing Low Cost Home Ownership First Tranche Sales were reported within Fixed Assets as at 31 March 2010. Opening balances have been reclassified to identify those costs as Current Assets.

11. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Net Book Value Of Housing Properties Comprise:				
Freeholds	327,744	304,190	138,922	110,329
Long Leaseholds	213,827	214,992	85,057	88,327
	541,571	519,182	223,979	198,656

	Group		Association	
	2011 £'000	21010 £'000	2011 £'000	2101 £'000
Social Housing Grant				
Total Accumulated Social Housing Grant At 31 March Was:				
Capital Grants Received For Construction Of New Housing Units	393,552	363,699	97,597	84,508
Homebuy Grant Received And Recycled	76,829	80,619	76,829	80,619
Total Accumulated Grant At 31 March	470,381	444,318	174,426	165,127
Accumulated Revenue Grant Received And Recognised Through The Income And Expenditure Account	16,934	16,126	11,129	10,818

Given the Group's long held policy of capitalising the finance costs associated with carrying out development activity, it is not possible to disclose the aggregate amount of finance costs included in the cost of housing properties as required by FRS15.

12. VALUATION DISCLOSURE

For information purposes only, completed housing properties were revalued as at 31 March 2011 by Jones Lang LaSalle at Existing Value for Social Housing (EUV-SH) in accordance with the current edition of the Royal Institute of Chartered Surveyors' (RICS) Appraisal and Valuation Standards. EUV-SH means that the properties are assumed to be managed and owned by a Registered Provider of Social Housing which is committed to the provision of rented accommodation let at affordable rents, and that vacant units would be re-let at affordable rents rather than sold on the open market.

The valuation basis used for this disclosure is that recommended by the Statement of Recommended Practice "Accounting by Registered Social Landlords 2008". The discount rate in the valuation was 5.5% excluding the effect of inflation.

If housing properties had been stated at EUV-SH, the amounts disclosed in the balance sheet in respect of completed housing properties and the re-valuation reserve would have been as follows:

	Group		Association	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Completed Housing Properties At Valuation	780,830	682,171	283,720	236,588
Revaluation Surplus – Housing Properties	280,967	267,449	73,346	80,730

Based on the valuation conducted by Jones Lang LaSalle at 31 March 2011, the Group's assets EUV-SH valuation is in excess of the carrying value of the properties.

13. OTHER FIXED ASSETS

	Investment Property (Valuation) £'000	Leasehold Office Premises (Costs) £'000	Office Furniture & Equipment (Cost) £'000	Computer Equipment (Cost) £'000	Key Worker & Student Accommodation Furnishings & Equipment (Cost) £'000	Total £'000
Group						
Cost Or Valuation						
At 1 April 2010	475	1,501	756	7,677	510	10,919
Additions	-	1	1	1,211	233	1,446
Revaluation Deficit	(39)	-	-	-	-	(39)
At 31 March 2011	436	1,502	757	8,888	743	12,326
Depreciation						
At 1 April 2010	-	1,197	542	4,208	451	6,398
Charge For Year	-	297	77	1,038	97	1,509
At 31 March 2011	-	1,494	619	5,246	548	7,907
Net Book Value						
At 31 March 2011	436	8	138	3,642	195	4,419
At 31 March 2010	475	304	214	3,469	59	4,521
Association						
Cost Or Valuation						
At 1 April 2010	431	1,501	756	7,677	154	10,519
Additions	-	1	1	1,211	-	1,213
Revaluation Deficit	(39)	-	-	-	-	(39)
At 31 March 2011	392	1,502	757	8,888	154	11,693
Depreciation						
At 1 April 2010	-	1,197	541	4,208	151	6,097
Charge For Year	-	297	77	1,038	-	1,412
At 31 March 2011	-	1,494	618	5,246	151	7,509
Net Book Value						
At 31 March 2011	392	8	139	3,642	3	4,184
At 31 March 2010	431	304	215	3,469	3	4,422

Investment properties were professionally revalued by Jones Lang LaSalle, Chartered Surveyors, on the basis of their Open Market Value as at 31 March 2011. These valuations were undertaken in accordance with the Appraisal and Valuation Standards published by the RICS Valuation Standard PS5.1.

14. HOMEBUY EQUITY LOANS - GROUP AND ASSOCIATION

	MyChoice Homebuy £'000	Open Market Homebuy £'000	Total 2011 £'000	Total 2010 £'000
Homebuy Equity Loans Advanced:				
Opening Balance As At 1 April	39,251	57,420	96,671	82,555
Loans Issued During The Year	806	-	806	18,929
Loans Redeemed During The Year	(820)	(3,994)	(4,814)	(4,813)
At 31 March	39,237	53,426	92,663	96,671
Grant Received On Homebuy Equity Loans:				
Opening Balance As At 1 April	23,199	57,420	80,619	72,386
Grant Received Or Transferred Into RCGF During The Year	204	(3,994)	(3,790)	8,233
At 31 March	23,403	53,426	76,829	80,619
Homebuy Equity Loans Funded By The Association	15,834	-	15,834	16,052

15. STOCK AND WORK IN PROGRESS

	First Tranche Low Cost Home Ownership £'000	Properties For Sale £'000	Total 2011 £'000	Total 2010 £'000
Group				
Gross Cost:				
Completed	14,034	5,954	19,988	28,324
Work In Progress	6,889	-	6,889	3,502
Grant	-	(4,859)	(4,859)	(1,790)
	20,923	1,095	22,018	30,036
Association				
Gross Cost:				
Completed	14,034	131	14,165	33,278
Work In Progress	6,889	-	6,889	3,502
Grant	-	(76)	(76)	(4,613)
	20,923	55	20,978	32,167

* Reclassification: Certain costs relating to the cost of constructing Low Cost Home Ownership First Tranche Sales were reported within Fixed Assets as at 31 March 2010. Opening balances have been reclassified to identify those costs as Current Assets.

The Group develops social housing for other registered providers outside the Group. The cost net of grant of these developments is held as a current asset up to the point of transfer.

16. DEBTORS

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Amounts Receivable Within One Year				
Rent And Service Charges	3,943	3,764	1,025	1,025
Provision For Bad Debts	(2,156)	(1,851)	(382)	(374)
	1,787	1,913	643	651
Property Grants Receivable	3,267	309	2,967	303
Amounts Receivable From Leaseholders And Tenants For Costs Incurred	392	350	337	306
Prepayments	1,346	646	1,346	646
Secured Bond Issue Cash Deposit	609	564	-	-
Other Debtors	349	305	-	1
	7,750	4,087	5,293	1,907
Amounts Receivable After One Year				
Mortgages	378	-	378	-
	378	-	378	-

17. CREDITORS

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Amounts Falling Due Within One Year				
Housing Loans (Note 18)	3,001	2,288	600	600
Trade Creditors	562	901	305	204
Loan Interest Due	2,836	2,569	610	624
Recycled Capital Grant Fund (Note 20)	595	3,117	595	3,117
Property Development Accruals and Retentions	4,842	1,654	4,546	970
Rent Received In Advance	1,607	1,391	428	426
Estate Costs Accruals (Including Major Repairs)	1,850	1,945	149	380
Amount Due To Subsidiary Undertaking	-	-	75,633	50,912
Leaseholder Sinking Funds	1,203	1,003	1,203	1,003
Staff Bonus Accrual	212	255	212	255
Disposal Proceeds Fund (Note 19)	18	230	-	-
VAT Payable	619	704	619	704
Other Creditors And Accruals	4,247	4,208	2,311	2,200
	21,592	20,265	87,211	61,395

As part of the Group's day-to-day treasury management, surplus cash is deposited with the Parent by the subsidiary undertaking at commercial interest rates and is shown above as amount due to subsidiary undertaking.

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Amounts Falling Due After More Than One Year				
Housing Loans (Note 18)	465,037	435,028	122,610	122,921
Disposal Proceeds Fund (Note 19)	422	224	-	-
Recycled Capital Grant Fund (Note 20)	11,060	14,481	11,002	14,454
	476,519	449,733	133,612	137,375

18. HOUSING LOANS

Housing loans made at varying rates of interest by lending institutions are secured by specific charges on some of the Group's housing properties and are repayable as follows:

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Housing Loans Repayable By Instalments				
In Five Or More Years	293,752	278,240	54,200	54,500
Between Two And Five Years	8,117	7,669	1,800	1,800
Between One And Two Years	2,498	2,370	600	600
	304,367	288,279	56,600	56,900
In One Year Or Less	3,001	2,288	600	600
	307,368	290,567	57,200	57,500
Housing Loans Not Repayable By Instalments				
In Five Or More Years	166,322	151,538	67,500	67,500
Between Two And Five Years	-	-	-	-
Between One And Two Years	-	-	-	-
	166,322	151,538	67,500	67,500
In One Year Or Less	-	-	-	-
	166,322	151,538	67,500	67,500
	473,690	442,105	124,700	125,000
Loan Issue Costs	(5,652)	(4,789)	(1,490)	(1,479)
Total Housing Loans	468,038	437,316	123,210	123,521

19. DISPOSAL PROCEED FUND

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
At 1 April	453	497	-	-
Social Housing Grant Recycled In The Year	272	147	-	-
DPF Utilised On New Build Housing Properties	(287)	-	-	-
DPF Utilised On Major Repairs And Works To Existing Properties	-	(190)	-	-
Interest Credited To The Fund	2	-	-	-
At 31 March	440	454	-	-
Disclosed As				
Creditors Falling Due Within One Year	18	230	-	-
Creditors Falling Due After More Than One Year	422	224	-	-
	440	454	-	-

None of the above Disposal Proceeds Fund is due for repayment to the HCA.

20. RECYCLED CAPITAL GRANT FUND

	Group		Association	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
At 1 April	17,599	14,205	17,571	14,205
Social Housing Grant Recycled In The Year	4,856	6,555	4,426	6,459
RCGF Utilised On New Build Housing Properties	(10,863)	(3,216)	(3,585)	(2,022)
Transfers With Properties Sold To Subsidiary Undertaking	-	-	(6,878)	(1,125)
Interest Credited To The Fund	63	54	63	54
At 31 March	11,655	17,598	11,597	17,571
Disclosed As				
Creditors Falling Due Within One Year	595	3,117	595	3,117
Creditors Falling Due After More Than One Year	11,060	14,481	11,002	14,454
	11,655	17,598	11,597	17,571

None of the above Recycled Capital Grant Fund is due for repayment to the HCA. £595k falling due within one year has been ear-marked against current development.

21. NON EQUITY SHARE CAPITAL

	2011 £	2010 £
Shares Of £1 Each Issued And Fully Paid		
At 1 April	10	15
Shares Issued During The Year	1	-
Shares Cancelled During The Year	(2)	(5)
At 31 March	9	10

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

22. Reserves

	Revenue Reserves £'000	Investment Property Revaluation Reserve £'000	Total 2011 £'000	Total 2010 £'000
Group				
At 1 April	149,427	265	149,692	138,920
Surplus For The Year	11,244	-	11,244	10,753
Revaluation (Deficit)/Surplus	-	(39)	(39)	19
At 31 March	160,671	226	160,897	149,692
Association				
At 1 April	62,703	257	62,960	61,232
(Deficit)/Surplus For The Year	(222)	-	(222)	1,709
Revaluation (Deficit)/Surplus	-	(39)	(39)	19
At 31 March	62,481	218	62,699	62,960

23. NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

	2011 £'000	2010 £'000
Reconciliation Of Operating Surplus To Net Cash Inflow From Operating Activities		
Operating Surplus	22,499	21,293
Depreciation	6,276	3,265
Change In Stock And Work In Progress	4,887	6,934
Change In Debtors	(1,084)	2,360
Change In Creditors	(29)	5,053
Net Cash Inflow From Operating Activities	32,549	38,905
	2011 £'000	2010 £'000
Reconciliation Of Net Cash Inflow To Movement In Net Debt		
Increase In Cash In The Year	21,226	36,828
Change In Net Debt Resulting From Cash Flows	(30,722)	(72,035)
Net Debt At 1 April	(391,504)	(356,297)
Net Debt At 31 March	(401,000)	(391,504)

	At 1 April 2010 £'000	Cash Flow £'000	Other Changes £'000	At 31 March 2011 £'000
Analysis Of Changes In Net Debt				
Cash At Bank And In Hand	45,812	21,226	-	67,038
Debt Due After One Year	(435,028)	(33,010)	3,001	(465,037)
Debt Due Within One Year	(2,288)	2,288	(3,001)	(3,001)
Change In Net Debt	(391,504)	(9,496)	-	(401,000)

24. PENSION COSTS

SHPS Scheme

The Association participates in the Social Housing Pension Scheme (SHPS). SHPS is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Association elected to operate the final salary structure with a 1/60th accrual rate for active members until 31 March 2007, the Career Average Revalued Earnings (CARE) with a 1/60th accrual rate benefit structure from 1 April 2007 to 31 March 2010 and the Career Average Revalued Earnings with a 1/80th accrual rate for new entrants from 1 April 2010.

During the accounting period, the Association paid contributions between the rates of 13.3% to 15%. Member contributions varied between 5.2% and 7%.

As at the balance sheet date, there were a total of 138 active members of the Scheme employed by the Association. 86 were members of the 1/60th Final Salary structure; there were 35 members of the 1/60th CARE structure and 17 members of the 1/80th CARE structure.

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 for 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 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,527million. The valuation revealed a shortfall of assets of £663million compared with the value of liabilities, equivalent to a past service funding level of 70%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £1,985million and indicated a reduction in the shortfall of assets compared to liabilities to approximately £497million, equivalent to a past service funding level of 80.0%.

The next triennial formal valuation of the Scheme is due as at 30 September 2011. The results of the valuation will be available in the Autumn of 2012.

Growth Plan

The Association participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The rules of the Growth Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

During the accounting period, members selected the level at which they make contributions.

As at the balance sheet date there were 5 active members of the Plan employed by the Association. The Association has closed the plan to new entrants.

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

The valuation results at 30 September 2008 were completed in 2009 and have been formulated. The valuation of the Scheme was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742million and the Plan's Technical Provisions (ie past service liabilities) were £771million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29million, equivalent to a funding level of 96%.

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

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities, the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in line with the "best estimate"

assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post retirement (pensioners).

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

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

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

25. CAPITAL COMMITMENTS

	Association £'000	Subsidiary Undertaking £'000	Total 2011 £'000	Total 2010 £'000
Capital Expenditure That Has Been Contracted For But Has Not Been Provided For In The Financial Statements	18,510	48,984	67,494	106,840
Capital Expenditure That Has Been Authorised But Not Yet Contracted For	12,822	20,839	33,661	23,658
	31,332	69,823	101,155	130,498
The Group Expects To Finance The Above Commitments By:				
Social Housing Grant Receivable	14,650	23,428	38,078	44,604
Loan Facilities, Low Cost Home Ownership First Tranche Sales, Low Cost Home Ownership				
Staircasing Sales And Other Cash Flows	16,682	46,395	63,077	85,894
	31,332	69,823	101,155	130,498

26. FINANCIAL COMMITMENTS

	Association £'000	Subsidiary Undertaking £'000	Total 2011 £'000	Total 2010 £'000
In Respect Of Low Cost Home Ownership First Tranche Development:				
Contracted For But Not Provided For In The Financial Statements	7,933	-	7,933	13,300
Authorised But Not Yet Contracted For	5,495	-	5,495	-
	13,428	-	13,428	13,300

At the end of March 2011, the Group had £73m (2009/10: £82m) of committed and undrawn loan facilities.

27. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011, the Group had annual commitments under non-cancellable operating leases as follows:

	2011		2010	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Operating Leases Which Expire:				
Within One Year	773	-	632	5
In Two to Five Years	-	5	-	-
After Five Years	-	-	-	-
	773	5	632	5

The Association has agreed the outline terms for a new 15 year lease at Premier House, Twickenham, from August 2012 at an annual cost, inclusive of service charges, in the region of £740k per annum.

28. RELATED PARTY TRANSACTIONS

Board Members

Where board members are tenants/leaseholders, their tenancies/leases are on normal commercial terms and are managed in line as with any other in the Group. They receive no favourable treatment in any respect for being members.

Subsidiary Undertaking

The subsidiary undertaking is a Registered Provider of Social Housing.

Transactions with Subsidiary Undertaking

The following transactions with the subsidiary undertaking, Thames Valley Charitable Housing Association, are included in the Association's financial statements. These transactions have been eliminated in the Group financial statements.

	2011 £'000	2010 £'000
Income		
Management Fees	7,887	7,149
Expenditure		
Charitable Donation Paid	-	41,626
Interest Payable (Note 8)	3,327	2,013
Balance Sheet		
Transfer of Recycled Capital Grant Fund from Subsidiary Undertaking	(6,878)	(1,125)

At 31 March 2011, the amount due to the subsidiary undertaking was £75,633k (2009/10: £50,912k).

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

	1 April 2010 (Number)	Acquired or Completed (Number)	Disposals (Number)	31 March 2011 (Number)
General Needs	5,318	288	(109)	5,497
Supported Housing Bedspaces	24	-	-	24
Sheltered Accommodation	38	-	-	38
Key Worker Accommodation	1,451	176	-	1,627
Student Accommodation	463	-	-	463
Low Cost Home Ownership	3,670	388	(64)	3,994
Low Cost Home Ownership Leasehold (Managed Only)	632	34	(9)	657
Market Rent	29	-	-	29
Intermediate Rent	36	-	-	36
	11,661	886	(182)	12,365
Homes Administered For:				
Open Market Homebuy Key Worker	112	-	(72)	40
Open Market Homebuy Non Key Worker	1,543	-	(36)	1,507
MyChoice Homebuy Key Worker	314	-	(4)	310
MyChoice Homebuy Non Key Worker	447	-	(6)	441
	14,077	886	(300)	14,663
			31 March 2011 (Number)	31 March 2010 (Number)
Homes under construction				
General Needs			453	401
Key Worker Accommodation			-	176
Low Cost Home Ownership			223	374
			676	951

30. ACCOMMODATION MANAGED BY OTHERS

	Number of Units of Accommodation	
	2011	2010
Managing Agent		
Ability Housing	1	1
Kingfisher HVHS Housing Association Limited	138	-
Royal Horticultural Society	23	23
	162	24

31. LEGISLATIVE PROVISIONS

Thames Valley Housing Association and its subsidiary undertaking are incorporated under the Industrial & Provident Societies Act 1965 and are Registered Providers of Social Housing registered with the Tenant Services Authority under the Housing and Regeneration Act 2008. Thames Valley Charitable Housing Association Limited is an exempt charity registered under charitable rules.

Thames Valley Housing Association Limited – Tenant Services Authority Registration No. L0514.
Registered under the Industrial & Provident Societies Act 1965 (17375R)

Thames Valley Charitable Housing Association Limited – Tenant Services Authority Registration No. LH3702.
Registered under the Industrial & Provident Societies Act 1965 (25301R)

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