Annual Report and Financial Statements

Year ended 31 March 2015

We own and manage 22,550 high quality homes and invest every penny of our underlying surplus in building new homes and investing in communities.

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Year ended 31 March 2015

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Annual Report and Financial Statements 2014/15
for Devon and Cornwall Housing Limited

Registered under the Co-operative and Community Benefit Societies Act no: 7096,
and registered with the Homes and Communities Agency no: 4818

01 Introduction by the Group Chairman and Group Chief Executive

The Rydons is a vibrant residential development on the outskirts of Exeter city centre with excellent national transport links.

01

Introduction by the Group Chairman and Group Chief Executive

We are delighted to be introducing this report against the backdrop of DCH achieving high and improving customer satisfaction, together with strong operational performance.

We have 22,550 high-quality homes, an ambitious strategy that we are currently developing further and a great team of over 900 skilled and committed staff adding real value to our services. We also have substantial financial capacity, with one of the strongest balance sheets in our sector, enabling us to be planning an acceleration in our development programme to meet housing need in our region.

A major highlight of the past year has been our successful amalgamation with West Devon Homes (WDH), an organisation with 1,600 homes and 46 staff. This has been very positive news for the customers and staff from both organisations creating efficiency, financial capacity and opportunities. The amalgamation grew from an innovative three-year shared services partnership that achieved savings of £0.9m and will deliver further savings of £2.8m over the next five years.

Customer service remains one of our highest priorities. In implementing our new customer services strategy it is very encouraging that overall customer satisfaction has continued to follow the gradually increasing path evident for the past two years. This year satisfaction reached a new high of just over 90%, achieving the upper-quartile target that we set at the beginning of the year. We continue to focus on this area and aim this year to improve maintenance satisfaction in the same way.

Housing need in our area continues to be an acute issue, with a considerable gap between local incomes, house prices and market rents. House prices at 11 times average incomes create an almost insurmountable barrier to home ownership for all except the most fortunate. This is caused not least by a lack of supply, with only two thirds of the homes needed being built. In addressing this, working closely with local authorities and other strategic partners, we have invested £52m in developing 563 new affordable homes for rent and shared ownership. These have included for the first time homes in Somerset, expanding our previous area of operation.

Our additional development of 76 homes for open market sale has generated profits of £2.6m Gift Aided from our development subsidiary. This activity, in addition to £2.3m profit on shared ownership sales, provides additional support for our affordable development programme, as well as increasing the overall supply of homes in our area. As with all our new development and other activities, there is the further impact of a significant stimulation to economic growth and jobs creation.

In funding new development we have achieved new financing of £52m at 2.365% through the Affordable Homes Guarantees Programme, which was at the time the lowest rate ever achieved in our sector. The availability of low-cost finance, enabled by our strong DCLG credit assessment and our Moody's A1 positive-outlook credit rating, contributes to our ability to deliver an even greater number of new homes.

We now have 22,550 high-quality homes, and a great team of over 900 skilled and committed staff adding real value to our services.

DCH's Group Chief Executive Paul Crawford with DCH Group Chairman Angela Dupont MBE and our Executive Management team.

Our underlying net surplus this year was £24m, a substantial increase on last year. We spend every penny of our underlying surplus in developing and improving homes and in investing in our communities. As our amalgamation with WDH was treated as an acquisition in accounting terms, our final published surplus of £61m includes the value of WDH at £37m.

Value for money has remained a key focus for us and our operating margin has improved by 2% to 28%. This has been achieved by robustly managing our performance, with management and maintenance costs better than target. Value for money has been enhanced by ServiceWatch, our customer scrutiny group who were shortlisted for a major TPAS award this year and our thanks go to them.

We remain fundamentally a people business in all areas of our work and during the year our community investment work has moved up a gear. We are targeting our communities based on need and on the social and business return on our investment, with work on financial inclusion, opportunities for young people, social enterprise, job creation and training. As well as making a profound impact on individual lives and wider communities these activities, together with our work on supporting vulnerable people, sustain and protect our long-term business interests.

Our focus on community investment comes at a time when our customers have faced particular challenges from welfare reform. Our HAILO partnership with other large south west housing organisations has highlighted these challenges and potential solutions, through a research project with the London School of Economics published in March 2015. We continue to support our customers in responding to welfare reform, and our rent arrears have fallen to their lowest ever level of 1.9%. Our efficiency on letting homes was not as strong as we aimed for in the first half of the year, although management action improved on this in the second half. Action planning in this area has enabled us to set more challenging targets for the coming year.

From the new financial year we have brought our Cornwall repairs service in-house, so that our DCH Repairs team now carries out all our responsive maintenance and gas servicing across our region. As well as creating financial efficiencies, this also offers other benefits, including improved customer services and the potential for greater training and apprenticeship opportunities for staff.

We have reviewed the role of our telecare subsidiary Call24, concluding that the long-term interests of its customers would be better served by a specialist provider. As a result, in June 2015 Call24 was sold to Appello, a market leader in the field. We are confident that this will deliver long-term benefits to Call24 customers and we have supported our former staff team of 40 through this transition.

As always, we could not have achieved our many successes without the commitment and contribution of our board members. Our thanks go to all of them in particular to former longstanding board members Simon Sanger-Anderson and Phil Hutt. We have also strengthened board skills and have welcomed Tim Larner and Laurence Clarke who have joined the DCH board. We also welcomed Paul Love to the board, having previously been the chairman of West Devon Homes.

Looking forward to the coming year we are planning a period of developing new homes by actively pursuing the agenda of getting the most from our financial capacity and optimising our assets. However, in the light of the changes announced in the July budget we will continue to review the scale and mix of our future growth plans to ensure that it remains ambitious, but is appropriately scaled to reflect the significant changes arising from the proposed legislation associated with the Welfare Reform and Work Bill and Housing Bill due in the autumn, particularly in relation to the introduction of Right to Buy.

We believe that a balance of new development at significantly below market rent, intermediate home ownership products, together with preserving the vital asset of our existing social rent homes, will offer a range of rents and tenures that reflects the wide variety of needs and aspirations in our local markets.

We welcome opportunities to work with the government on its agenda of aspiration and ownership, fiscal and personal responsibility, making work pay and ensuring value for money in public services. However, the decrease in the benefits cap to £20k outside London, along with the withdrawal of housing benefit for people under 22 years old and reduced tax credits will create a challenging environment for many of our residents who may not easily find sustainable employment. Inevitably, over the coming year and beyond many of our customers will face hardship as benefit cuts become real. We will therefore be working closely with them to understand who is affected and what support may be required.

All our achievements have been realised through the fundamental contribution of our high calibre staff with the right attitude and behaviours. Part of our investment in our staff this year has been our first DCH staff conference, bringing all our teams together in a single location, in an event that really resonated across the business. We will continue to focus on strengthening our work on staff engagement to ensure that our strategy inspires all our people to deliver excellence. Our thanks go to our Executive Management team for their work as well as our previous Executive Management team members, Richard Connolly and Andy Moore.

As we review our strategy this year we have a clear and increasing ambition to deliver more new homes for people and communities in our region. We will combine this ambition with maximising the value from our existing assets to create choices and opportunities and we look forward to working together with our partners in pursuit of this.

Angela Dupont, Group Chairman

Paul Crawford, Group Chief Executive

We have a significant development pipeline over the next 5 years of affordable rent, shared ownership and open market sale homes.

02 Highlights
for the year ended 31 March 2015

Our staff conference provided an excellent opportunity for over 900 staff to meet their colleagues, celebrate their success and learn more about the strategic direction of DCH.


e Are DCH

Highlights
for the year ended 31 March 2015

Income and expenditure

Turnover increased by 6% to £117m (2014: £111m)

£117m

£87m

Social housing lettings income increased by 6% to £87m (2014: 82m)

£17m

Turnover on other social housing activities remained at £17m (2014: 17m)

£13m

Turnover on non-social housing activities increased by 14% due to a 16% increase in property sales

Our operating margin increased to 28%, leading to a net surplus of £24m (before exceptional gain)

£24m

Property sales generated profits of £5.2m

£5.2m

Managed homes

22,550

Income and expenditure, Investment and cash flow, Operating performance and Interest cover exclude West Devon Homes

Investment and cash flow

£31m
Spent on existing homes

£45m
Net operating cashflow

£52m
Spent on new homes

639
New rented, shared ownership and open market homes

Operating performance

90%
Overall customer satisfaction for 2014/15 is 90% (2014: 89%, 2013: 88%)

1.9%
Current rent arrears % – all social housing is 1.9% (2014: 2.0%, 2013: 2.2%)

0.7%
General needs and sheltered rent void loss % is 0.70% (2014: 0.65%, 2013: 0.70%)

Treasury

Gearing

2015	32%
2014	33%
2013	32%

Interest cover

2015	391%
2014	356%
2013	310%

A1
Moody's credit-rating A1 (positive) among the highest in the sector

£155m
Undrawn facilities of £155m

6,799

Properties charged = 13,625
Properties uncharged = 6,799

Our DCH strategy integrates value for money (VFM) into our operational and strategic activities See page 24 for further information

03 Operating and financial review

Meadow Flats is a flagship development of affordable rented apartments for the over 55's overlooking St Ives Bay.

Operating and financial review

Our strategy

Our current strategy was developed and launched in 2013 and in 2015 we are carrying out a strategic review to ensure our direction, approach and priorities remain appropriate in these changing times. The intention is that this review will be concluded during 2015/16.

We anticipate that this review will result in us refining our position rather than a substantial shift in our direction; over the past few years we have developed into a confident, agile organisation that responds effectively to change, with scalable business models that enable us to drive the best possible value from our growth.

It is crucial that the strategy reflects on what we have achieved over the past three years, our changing customer expectations and the changing political landscape and the themes emerging from a new government in power, to ensure we continue to remain resilient over the next five years.

In particular, we expect the new strategy to headline the continued importance of:

- high-quality housing services
- financially sustainable growth
- a focus on ambition, aspiration and excellence
- the fundamental contribution of an engaged staff team in strategic delivery and operational performance.

We are a confident, agile organisation that responds effectively to change, with scalable business models that enable us to drive the best possible value from our growth.

Our vision is of a growing and developing business that is valued by our customers; investing in new and existing homes that people want to live in, strengthening communities that will be sustainable into the future, and improving prospects and opportunities for people across our areas of work.

Our three core aims run through everything that we do

1 delivering great customer services

We will deliver the best possible services and homes that we are proud of, achieving high levels of customer satisfaction with an emphasis on meeting customer needs flexibly. We strongly believe that great customer services are delivered by staff who live our values.

2 investing in communities

We will enable people to improve their own situations, overcoming barriers and enhancing opportunities with support from DCH and other agencies. We will invest in evidence-based long-term outcomes, for example potentially including health, education, training, working with young people and apprenticeships. We will be prioritising the areas of work that will have most effect and we will target resources where interventions will have the highest impact and deliverability.

3 growing our business

This aim includes our key activity of developing new homes and is also about wider business growth; we will be an organisation that grows in more than one dimension. The aim links closely to implementation of our value for money strategy, including control of our management costs and exploiting our economies of scale. It includes a broader geography and consideration of new partnerships, new products, new services and markets.

Each of our three core aims is supported by a programme of key projects, action plans and outcome-focused performance measures.

Our values are clear, authentic, and demonstrable

They are integral to how we recruit, induct, inspire, lead and support a team-working culture:

1 putting customers first

We are proud of the services and homes we deliver. We know the importance of communicating with our customers, and responding to their needs with a friendly and flexible approach.

2 learning and improving

We are always looking for ways to improve our services and how we deliver them. We know that responding effectively to a changing world is essential to deliver our strategy and to increase value for money for our customers. We share ideas and actively seek feedback from others to improve our performance.

3 making things happen

We work collaboratively and in partnership to achieve our objectives. We are accountable for our actions, keep our promises, and have a positive and enabling attitude when faced with challenges.

4 honesty, respect and leadership

We respect our customers, colleagues and stakeholders. We understand that trusting and open working relationships help us deliver great customer service. We work with passion and enthusiasm, and throughout the organisation we encourage, challenge and support others to deliver great service.

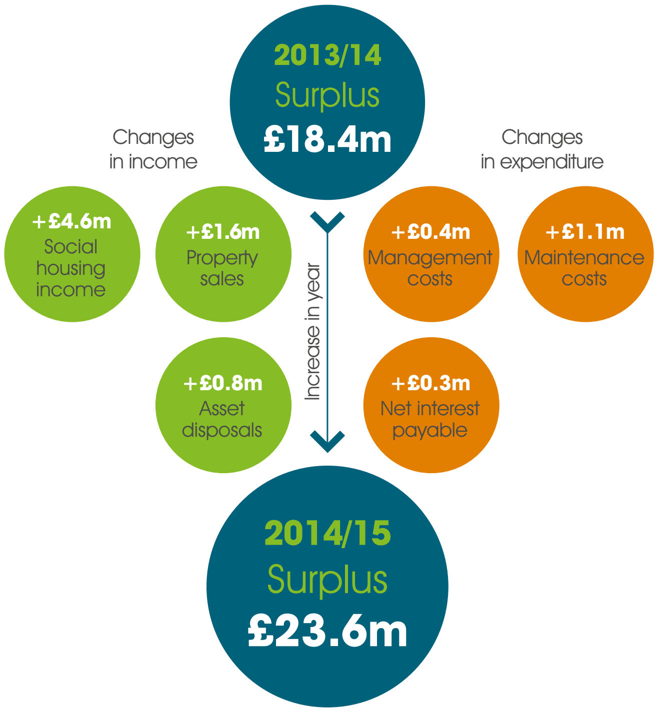
Business review

The year ended 31 March 2015 has been a successful year for us. On 25 March 2015 DCH amalgamated with West Devon Homes.

The income and expenditure measures demonstrate our continued financial strength as we successfully increased the operating surplus by 2% to 28% and increased our cash flow from operating activities by £9m to £45m (£33m after interest).

The table below summarises the key financial indicators for the past five years. The first three measures exclude West Devon Homes. The last three measures report on the new combined entity balance sheet as at 31 March 2015.

Movement in net surplus



	2015	2014	2013	2012	2011
Operating surplus as % of turnover	28%	26%	26%	28%	31%
Operating cash flow after net interest payments (£m)	33	24	33	25	18
Interest cover	391%	356%	310%	295%	310%
Gearing	32%	33%	32%	32%	32%
Debt as a multiple of turnover	3.2	3.2	3.3	3.5	3.4
Total debt per dwelling owned	£16,650	£17,063	£16,147	£16,109	£15,621

Gearing and debt as a multiple of turnover are both shown for the new combined entity. We remain very strong and well within lender covenants and our internal targets and we compare very favourably with other Moody's rated housing associations.

Whilst these key metrics leave us well placed to embark on our new development programme, the various changes announced in the July budget and the impact they may have on the credit rating of the sector will be factored into our assessment of the future cost of borrowings.

Managing our risks

This is the first full year of operation of our revised risk management strategy, which has provided greater transparency to risk consideration; it has increased the accountability and ownership of risk through the governance framework and has delivered greater efficiency in risk reporting, resulting in risk being effectively embedded throughout DCH.

One of the key aspects of the framework is that the DCH board has delegated to the Audit and Risk committee (ARC) the responsibility for measuring and monitoring risk. Individual committees/boards within the DCH governance framework are designated specific risks which they are responsible for reviewing and assessing at each meeting and subsequently reporting any changes to the risk scoring or narrative and reflecting on internal or external changes in our operating environment. The ARC reports to the DCH board on the complete risk register.

In reviewing our risk management strategy and processes for the year we have set out below what we consider to be the key risk areas we face.

Financial

Our financial strength underpins the delivery of all of our strategic aims and in particular investing further in services to residents and in building new homes.

To assess the financial risks we face, all financial risks are considered at each treasury committee meeting. Typically they cover the following areas:

- raising of additional finance
- counterparty failure
- loan covenant compliance
- borrowing costs
- mark-to-market "calls"
- cash flow.

In addition, during the year a comprehensive exercise of scenario and mitigating action testing on the key loan covenants (interest rate cover and gearing) has been undertaken as part of the business planning process based on the following framework:

- single scenario testing on key business plan assumptions
- multivariant testing
- single scenario testing iteratively to the point of loan covenant breach.

In each different scenario tested, it was determined that the mitigating actions identified were effective in preventing a loan covenant breach, that the timescales involved in implementing these actions were realistic and that DCH was resilient.

Summer 2015 Budget

The unexpected scale and far-reaching nature of the proposals announced in the 8 July budget will undoubtedly change the nature and priority of the risks the housing sector faces. The cumulative impact of the rent, welfare benefit and tenancy changes contained within the Welfare Reform and Work Bill, along with the proposed introduction of Right to Buy for housing associations tenants to be included in the Housing Bill, will undoubtedly have an impact on the financial strength of the sector. Over the coming months, DCH will therefore be working to understand the impact of these changes and will continue carrying out stress testing via single and multiple scenarios in preparing a revised business plan for October 2015.

Housing market and development

We have significant risk exposure to a housing market slowdown resulting in lower than anticipated demand and/or sales proceeds which would impact both shared ownership and outright sales profits.

Detailed scenario testing has shown that the business plan can accommodate these short to medium term adverse market movements by managing the size of the committed sales programme in conjunction with the use of "Value at Risk" controls to limit financial exposure.

Further mitigation is provided by our strong track record of delivery, focused geographical area of development and detailed understanding of local housing markets.

The risks to the delivery of our new build for rent programme have increased in the year due to our revised development strategy ambition to provide more homes than previously planned. The new programme combines the completion of the HCA 2011/15 and 2015/18 programmes, the Cornwall Council funded programme to 2019 and self-funded developments which have significantly increased from the previous year.

However, in the light of the changes announced in the July budget, DCH will be preparing a revised business plan, which will include reviewing the scale and mix of its future growth plans to ensure that it remains ambitious, but is appropriately scaled to reflect the significant changes arising from the proposed legislation due later in 2015/16.

The current strategy sets out 10 risk areas where mitigation actions are required to maximise delivery of the programme and the fundamental risk area highlighted remains our ability to raise additional funding at planned costs which is actively considered by the Treasury committee at each meeting.

Rents

In April 2015 we increased our rents in line with the new government rent regulation of CPI+1.0%, based on the September 2014 CPI of 1.2%. The impact of the new regulation and the removal of the +/- £2 movement from the previous formula has meant that properties where the rent is greater than target rent will be increased by CPI only until the target rent has been achieved. Where current rents are below target then the target rent will only be achieved when re-letting a property.

Whilst the overall financial impact of the government's rent regulation of CPI+1.0% on the current DCH business plan is limited, the recent rent changes announced in the Welfare Reform and Work Bill in July where rents will be reduced from April 2016 by 1% in absolute terms each year for the next four years is likely to have a significant impact on projected income. It is estimated that over the next four years alone the cumulative rent loss against the current business plan projections will be £39m.

Operational performance

The introduction of annual value for money (VFM) targets for management and maintenance costs per unit increases from the previous year (as detailed in the VFM section) has delivered significant annual savings of £1.6m over planned levels providing risk mitigation for aspirational service delivery plans particularly in community investment and housing support areas.

Our greatest operational cost exposure is on maintenance, which is mitigated by prudent business plan assumptions, a rolling programme of stock condition surveys and an active asset management strategy.

Welfare reform

The operational exposure on collecting rent and letting properties have remained low in spite of the introduction of elements of welfare reform. We have successfully worked closely with our customers during the removal of the spare room subsidy, and through this and a combination of preventative planning and mitigation actions, our rent arrears have fallen to their lowest ever level of 1.9%. In the coming year we will be continuing with our preparation for the introduction and roll out of Universal Credit and the associated rent and benefit changes announced in the Welfare Reform and Work Bill.

Asset management

Excluding development spend, our biggest cash outflow from DCH relates to the maintenance of our properties. Our most significant risks cover the following areas:

- provision of a repairs and maintenance service that meets relevant standards
- health and safety obligations as a landlord, employer, developer and provider of support services
- maintenance contractor failure
- environmental management and energy efficiency.

We have robust processes and procedures to ensure that these risks are mitigated.

During the year we made the decision to in-source our responsive repairs service in Cornwall and to bring it into line with the existing practice in Devon. Mears had formerly provided this service to DCH and it was decided at the end of a five year contract period to bring the service in house from 1 April 2015. The transition has progressed smoothly with no service interruption.

Financial and operational performance

Surplus

The following table summarises the group's results for the last five years:

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Social housing lettings	87	82	78	71	66
Other turnover	30	29	23	23	22
Total turnover	**117**	**111**	**101**	**94**	**88**
Operating costs	(84)	(83)	(75)	(68)	(62)
Operating surplus	**33**	**28**	**26**	**26**	**26**
Profit on asset disposals	2	1	1	1	2
Net interest payable	(11)	(11)	(12)	(12)	(12)
Surplus before exceptional item	**24**	**18**	**15**	**15**	**16**
Exceptional item	**37**	**-**	**-**	**-**	**2**
Surplus	**61**	**18**	**15**	**15**	**18**

The £37m exceptional item in 2015 reflects the fair value adjustment of the West Devon Homes net assets merged into the new DCH group on 25 March 2015. This was accounted for as though the transaction was an acquisition.

Turnover

Our turnover increased by 6% to £117m (2014: £111m).

Social housing lettings income increased by 6% to £87m (2014: £82m) and continues to be our most significant income stream accounting for 74% of our turnover (2014: 74%). The overall increase reflects a 1.9% increase in average units and a general rent increase of 3.7% (RPI plus 0.5%) in April 2014.

Turnover on other social housing activities remained stable at £17m (2014: £17m) with first tranche shared ownership sales income accounting for 60% of the total. Contract income from Supporting People, Care and Repair and maintenance and alarm call services account for the remaining income.

Turnover on non-social housing activities increased to £13m (2014: £12m) due to increased turnover from property sales.

Operating costs

Our total operating costs increased by 2% to £84m (2014: £83m) less than the 6% increase in turnover.

Operating costs on social housing lettings increased by 4% to £59m (2014: £57m) also less than the 6% increase in social housing lettings income.

Maintenance spend on responsive, cyclical and major repairs increased by 5% in total with a 6% reduction in responsive maintenance expenditure being offset by a planned increase of 18% in planned cyclical and major repairs. The reduction in responsive maintenance expenditure primarily resulted from increased productivity in our repairs team.

Management costs increased by 2% which is less than the 6% increase in turnover even after incorporating the increased costs of harmonising staff terms and conditions.

Operating costs on other social housing activities remained constant in the year with the loss of Supporting People contracts being mitigated by additional surpluses from shared ownership sales.

03

Operating surplus

Our operating surplus increased by 17% to £33m (2014: £28m) increasing operating margin to 28% from 26% in 2014 as a result of cost control and VFM activities across DCH.

The operating margin on social housing lettings activities, which accounts for 86% of the overall operating surplus also increased to 33% from 31% in 2014.

The operating margin on other social housing activities decreased to 5% (2014: 7%) reflecting the loss of Supporting People contracts with local authorities.

The operating surplus on non-social housing activities showed a significant increase to £4m (2014: £2m) as a result of higher margins on open market sales.

Interest

Interest payable, net of interest receivable, increased by 3.1% in line with the underlying increase in net borrowings over the course of the year but remained at £11m (2014: £11m). Loan finance net of cash balances increased by £25m of which £15m arose on 25 March on the amalgamation with West Devon Homes (WDH).

Surplus for the year

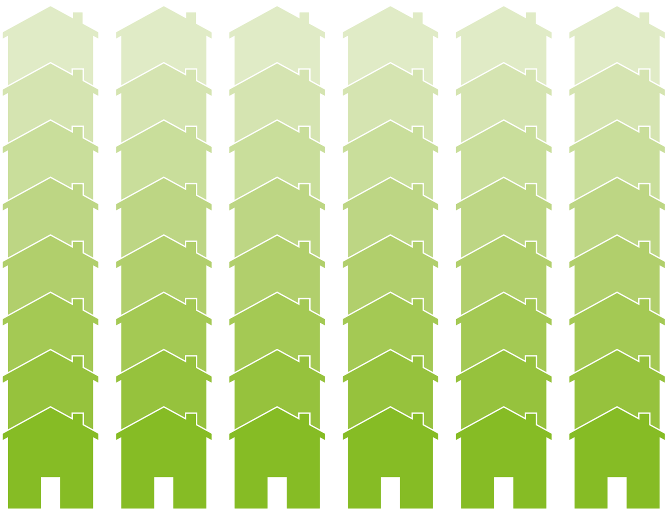
Our surplus for the year increased by 30% to £24m (2014: £18m) increasing the surplus to 20% of turnover (2014:17%).

This underlying net surplus for DCH excludes the operating performance of WDH in 2014/15 as the amalgamation took place on 25 March 2015.

As highlighted above, the amalgamation has been treated as an acquisition for accounting purposes. As a result the new DCH has recorded a £37m gain as an exceptional Income and Expenditure item, reflecting the net assets of WDH amalgamated into the new DCH.

Reserves

We utilised £10m from reserves set up in earlier years for major repairs and other purposes and set aside a further amount of £3m from the current year's surplus. Total reserves increased during the year by £64m to £288m (2014: £223m) largely represented by the surplus in ordinary activities of £24m and the WDH amalgamation gain of £37m.



22,550

22,550 homes managed

Balance sheet

The following table summarises the group balance sheet for the last five years:

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Housing properties	643	552	510	488	462
Other fixed assets	13	11	11	11	10
Net current assets	20	18	26	25	7
	676	581	547	524	479
Loans (due over one year)	378	351	335	327	299
Provisions	10	7	6	5	3
Revenue reserves	217	151	143	132	140
Other reserves	71	72	63	60	37
	676	581	547	524	479

Housing properties

We continued to have a substantial development programme, with an increase of £57m in housing property cost during the year. With the addition of the WDH properties of £57m this brings the total cost to approaching £1.2bn (2014: approaching £1.1bn). Social Housing Grant (SHG) increased by £10m to £448m and remains the most significant element of the group funding of its property portfolio.

Funding for the year's development programme came from the £10m increase in SHG, a £10m increase in loan finance net of cash balances and £37m from operational cash flows and working capital.

Loans

Our group loans are all long term facilities of which 70% are repayable in more than 10 years' time. Further details are shown in the funding and treasury management section of this report and note 18 to the financial statements.

Cash flow

We increased our borrowings by £12m during the year, which combined with the WDH loan of £15m, resulted in a year end total debt of £378m (2014: £351m). Operational cash flow after interest costs was £9m higher at £33m. Capital expenditure was similar to 2014 at £59m.

Value for money and benchmarking

Value for money (VFM) continues to be a key driver for us. It is incorporated into our operational and strategic activities and the culture and decision making of our business. The way we structure and report our VFM activities for differing stakeholder groups can be found on our website at **www.dchgroup.com/VFM.**

The DCH board maintains a robust and transparent assessment of the performance of all assets and resources, which enables stakeholders to judge us on our performance. In doing this we compare ourselves against a selection of Moody's rated housing associations and against a broader group of English housing associations by using HouseMark data for 2013/14. The Moody's benchmark group comprises all AA3 and A1 rated associations of a similar size and/or operating in our geographical area. This benchmark group comprises 10 associations:

- Affinity Sutton Group Limited
- Bromford Housing Group Limited
- Family Mosaic Housing
- The Guinness Partnerships Limited
- Moat Homes Limited
- Orbit Group Limited
- Radian Group Limited
- The Riverside Group Limited
- Sanctuary Housing Association
- Sovereign Housing Association Limited.

By benchmarking against the strongest of the Moody's ranked associations it enables us to measure those areas where we are performing relatively well and to focus on those areas where we need to improve.

We also compare ourselves with others by using HouseMark data where available and:

- compare our current performance to the past two years results
- set targets as part of our stated aim of continuous improvement.

The principal focus of existing and future VFM activities within DCH is:

- generating additional financial capacity to maximise the provision of new affordable housing
- ensuring that the upward trend in improving customer satisfaction is maintained and accelerated where specifically targeted.

Fundamental to this is understanding the return on our assets, and this is closely integrated in our overall strategy and in our operational decision making.

2013/14/15 performance and targets for 2015/16:

Our overall financial out-turn performance for 2014/15 was better than budgeted at £23.6m, contributing to an increase in annual surplus of £5.2m from the previous year at the same time as delivering improved overall customer satisfaction. This performance excludes the performance of WDH during the year.

Operating margin

Net margin

Operating margin as a percentage of sales is a measure that enables us to focus on the level of operating costs that we incur to deliver our turnover. Although it does not take account of relative rent levels within the benchmark group it does show it is an area that we need to improve on relative to the Moody's peer group. Our initial target is to improve this percentage measure year on year (in 2015 this improved by 2%) with an ongoing aim of closing the gap to the higher percentage performers in this peer group.

Net margin as a percentage of sales – the main movements compared to operating margin are a result of asset disposals and interest payable. Compared to the benchmarked associations, asset disposals and the resulting profit for DCH is relatively low (5th lowest at 1-2% in the 2 years). In 2014 and 2015 net interest payable was 10% of turnover, the second lowest of this peer group. Competitively priced new funding continues to be a key focus for us.

Our strong financial performance, as represented by our reported net surplus, ensures that we generate significant levels of cash that are used to build much needed new homes in our region.

In the 2014/15 year we spent £52m (2014: £51m) on the purchase of new homes.

This actual and growing investment in the south west not only adds to the supply of homes but also helps to stimulate economic growth in the region.

The key focus set out in last year's report was the introduction of the rolling five year operational and financial plan to drive an additional £6.7m increase over planned operating surpluses for the period whilst meeting challenging annual service targets. The targets set in the plan for management and maintenance cost per unit have been met and exceeded by £7 and £57 per unit respectively delivering an additional increase in surplus of £1.6m. The revised five year rolled forward plan for 2015/16 has identified a targeted increase of £11.5m over planned surpluses.

Activities generated in the year from the procurement strategy have delivered annual value for money (VFM) gains of £75k. In addition to the direct procurement savings, we are a member of the Advantage SW (ASW) consortium procurement club which has negotiated a series of major repairs components tenders delivering significant VFM gains and also this has been the first year of the ASW legal services framework.

The successful amalgamation of West Devon Homes (WDH) at the end of the year will enable the delivery of the identified five year business case efficiency cash savings of £1.4m to be realised. The approved business case for amalgamating also recognised the £1.4m additional costs that would need to be incurred by WDH if the amalgamation did not proceed.

The additional financial capacity generated in the year and targeted to generate in future years has been reflected in the revised business plan enabling a significant increase in the number of affordable housing units.

VFM improvements are supported by a strong framework of performance management and scrutiny. During the year, our strategic customer panel ServiceWatch has carried out several reviews of customer service activities, with a particular focus on VFM from a customer perspective.

The 2015/16 targets contained in the report reflect the combined figures for the DCH and WDH amalgamated organisation.

In order to assess overall VFM performance in the year, we have used the following criteria to measure whether additional value has been delivered:

A SERVICE OUTCOMES THAT REFLECT CUSTOMER PERCEPTIONS

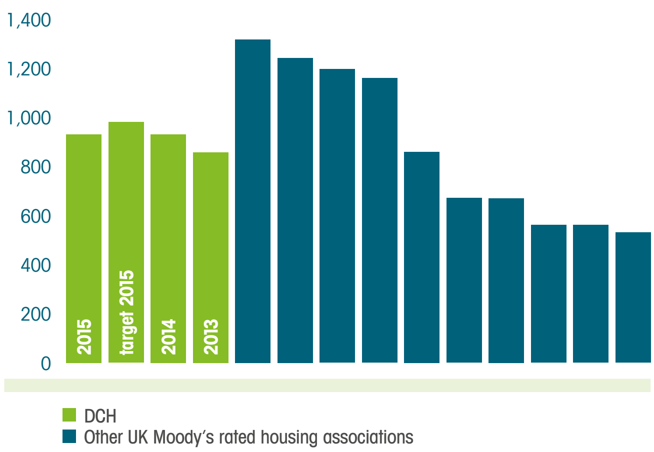
B SERVICE OUTCOMES THAT DELIVER CASH BENEFITS

C PROVIDING NEW AFFORDABLE HOMES TO MEET NEED

A – Service outcomes that reflect customer perceptions

Overall customer satisfaction

Management cost per unit



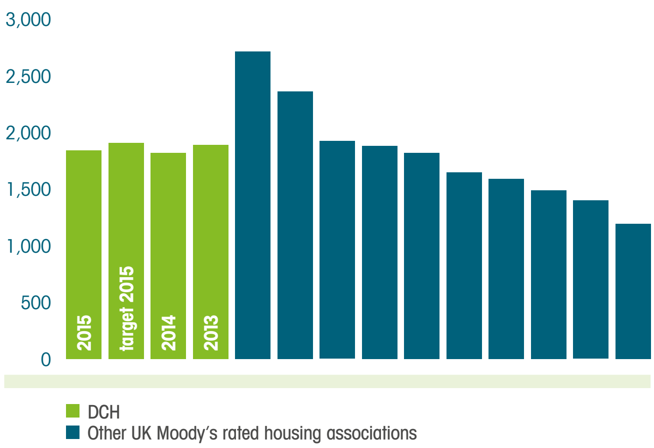
Customer satisfaction at 90% in the year (2014: 89%) is a strong performance compared to the benchmark group and we have set an increased target for the current year. This key indicator is seen as a clear indication of how our customers value the service we provide and this score reflects the organisational focus of achieving our strategic aim of providing great customer services.

Despite a reduction of £7 per unit compared to the target for this year, the management costs associated with delivering this service to our customers is higher than the peer group average. We recognise that this needs to be a focus for us, whilst maintaining the high level of customer service.

The 2015/16 target for overall satisfaction is set at maintaining 2014/15 upper quartile performance but when set against a target to deliver a real term reduction in management cost per unit reflected in a 2015/16 target of £975 (excluding the marginal impact of amalgamating with WDH) this represents a real VFM gain.

Satisfaction with repairs

Maintenance cost per unit



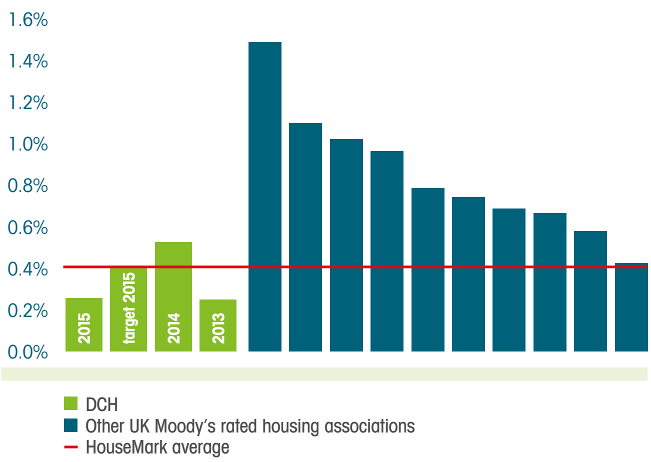
The performance on satisfaction with repairs has not met the target set in last year's report largely due to weak performance in the first quarter. The target for 2015/16 reflects the customer service improvements that have been recently implemented, resulting in current performance being in excess of target, combined with the expected increasing satisfaction from the in-sourcing of the response maintenance contract in Cornwall to produce an 8% increase to achieve top quartile satisfaction levels in 2015/16.

Maintenance cost per unit although slightly high compared to the peer group was reduced in real terms compared to 2014 (a 0.7% increase). It is also better than the target set in last year's report by £57 per unit as a result of significant VFM efficiency gains from the insourced repairs service in Devon. The 2015/16 target of £1,929 per unit reflects the identified investment in planned and cyclical maintenance programmes.

B – Service outcomes that deliver cash benefits

GN and Sheltered rent void loss

Bad debt loss (social housing)



DCH continues to perform well in the areas of rent void loss and bad debt loss both generally and when compared to the Moody's peer group. We have focused resource in these areas to minimise the income and expenditure impact of voids and bad debts.

Our void loss indicator shows a strong performance compared to our peer group and HouseMark benchmark but below our target performance of 0.6%. An action plan with particular focus on sheltered properties has been implemented during the year with resulting performance being above target providing a basis to meet the top quartile target set for 2015/16.

Our bad debt loss performance in the year is better than target and an improvement year on year, with better than the benchmarked national average.

The 2015/16 targets of 0.6% and 0.4% for void and bad debt loss respectively will consolidate the improvement trend and either provide additional VFM gains or mitigation against the adverse impacts of Universal Credit implementation.

C – Providing new affordable homes to meet need

We continued to have a substantial affordable housing development programme supported by social housing grant. Our development of new units is funded principally by a mixture of private debt, internal subsidy and government grant. This demonstrates significant value for money to the public purse.

In 2014/15, 563 new rented and shared ownership homes were developed, representing an increase of 131 (30%) properties from the previous year's level of increase along with an increase of 2% in the overall customer satisfaction rating with the new home to 99%.

We continued to generate funds from the development of properties for open market sale and during the year Westco sold 76 units achieving a profit of £2.6m that was paid as Gift Aid to DCH. The current Westco plan (2015-2020) includes 641 units for open market sale with a £17.6m Gift Aid target.

The current development programme (2015-2020) included within the DCH business plan is for the provision of 4,476 new units of affordable housing, an increase of 2,127 units over the previous plan. However, in the light of the changes announced in the July budget, DCH will be reviewing the scale and mix of its future growth plans to ensure that it remains ambitious, but appropriately scaled to reflect the significant changes arising from the proposed legislation due later in 2015/16.

Five years to 2019/20: actions to increase value for money returns

The actions below will further the objectives of our strategy, with the focus being to increase financial capacity to provide additional units of affordable housing. They are split into operational financial actions and return on assets, as set out below:

- operational financial actions
- return and future return on assets.

Operational financial actions

A) Cost control

Our five year rolling operational and financial plan is based on setting a series of annual value for money (VFM) targets focused on driving financial capacity from the business.

Building on the success of exceeding the operational financial targets set in last year's report more challenging future targets for both maintenance and management costs per unit have been set. This results in real reductions in both measures, increasing our already planned financial surpluses for the next five years by a further £11.5m - an increase of £4.8m over last year's target. This will guarantee additional cash to build 88 affordable homes with no increase in borrowing, or a substantially larger number if we were to treat this in the same way as grant, leveraging the support of private finance.

B) Return from open market sales

Our DCH board has approved a revised more challenging Westco (our open market development company) five year business plan. The plan targets an increase in Gift Aid return to us over the previous plan of £3.7m to £17.6m. This will generate 135 affordable new homes on a cash-funded basis, or substantially more if supported by loans.

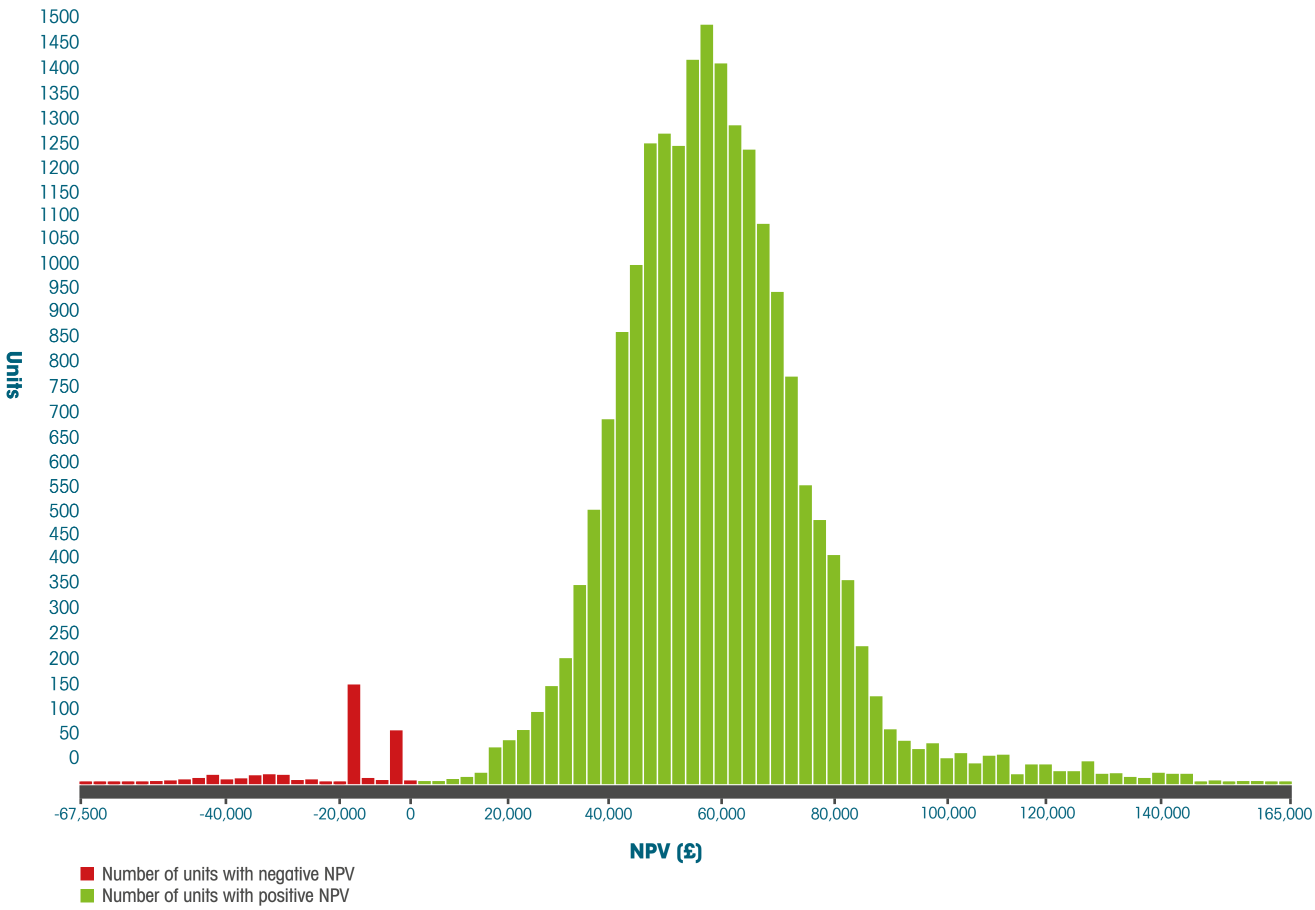
In total our DCH board has approved a five year development programme of 4,476 affordable homes starting in 2015/16, far greater than would have been achieved without our VFM actions.

Economic, social and environmental returns on assets

A) Economic return on assets

In last year's report it was highlighted that the previous pilot disposal programme framework would be extended to cover the whole asset portfolio providing a model to enable maximisation of return on assets. This has been completed resulting in an NPV and yield to be calculated for each individual property. The NPV is based on the net rental income over a 30 year period using a discount rate of 5%.

DCH stock NPV portfolio



The output from the model is being used in conjunction with the previous used pilot project information to compile the disposal programme contained within the business plan. The levels of disposal and financial capacity generated will be monitored to ensure it is consistent within our strategic objectives.

The model will be extended in 2015/16 to provide a basis for additional analysis for the consideration of stock investment and sustainability by factoring in quantitative and qualitative operational data.

03

Our single DCH identity is fundamental to supporting our strategy, giving clarity to stakeholders, and delivering substantial value for money benefits.

B) Social return on assets

The majority of the cash generated from the surplus in any year is used to fund borrowing to build more affordable homes, while part of the cash generated is used as a social dividend to be reinvested into communities where we operate.

Our community investment strategy maximises VFM output through creating communities where people want to live and contribute through a combination of:

- support for individuals to enable them to successfully sustain their tenancies and develop skills to widen the opportunities and choices available to them
- development of a range of services to address identified gaps and accessibility issues, build capacity, resilience, skills and create opportunities within communities
- support for economic and social regeneration.

Our strategy is focused under the following work streams:

- financial inclusion
- employment and skills development
- social exclusion
- social enterprise
- community sustainability
- health and well-being.

During 2014/15 work has focused on creating the right foundations for the future, as well as beginning implementation of our programmes. An integral part has been reviewing current activities, creating an effective staffing structure, developing new opportunities, drafting and developing our processes and procedures, and creating our evaluation methodology to provide a robust assessment of the business and social value of our work.

During the year we developed a draft social return on investment (SROI) evaluation matrix that we are continuing to refine. This is achieving a consistent approach to appraisal across different work streams, evaluating the impact of both new and existing projects. As part of this we also plan that our community investment activity will influence business outcomes including void rent loss, repairs costs and volume, anti-social behaviour and tenancy turnover.

A full copy of our approach to community investment can be found on our website at **www.dchgroup.com**

C) Environmental return on assets/resources

We are accredited with ISO 14001 for our environmental strategy, achieving the international standard for environmental management. The standard requires that the environmental impacts of our business are identified, monitored and subject to continual improvement.

As planned in this report last year, we have identified our 300 homes with the lowest-performing energy efficiency and carried out improvement works. Together with wider improvement work across our stock, this has included programmed replacement of heating systems in 929 homes and replacement windows and doors in 848 homes. This has increased thermal comfort for residents and reduced their fuel costs, as well as addressing CO_2 emissions.

As part of implementing the strategy, we have also introduced comprehensive monthly monitoring of energy use, waste and recycling in our offices. By encouraging car sharing by staff, together with the increased use of teleconferencing, we have reduced mileage by 90,000 miles (6%) from the previous year with an additional 10% targeted in 2015/16.

In 2015/16 and future years we are planning to:

- achieve further targeted reductions in CO_2 emissions from the stock based on 2014 baseline level by March 2017
- further consider the cost-in-use of our homes and how this may interact with alternative models for setting rents affordable to working people on low incomes.
- develop a plan for reducing energy consumption, CO_2 emissions and waste from all offices by March 2016.

A full copy of the DCH environmental strategy and key data can be found on our website at **www.dchgroup.com**

03

Property development and sales

We are a highly regarded developer with a strong track record of delivery and our leadership of the eight-member Partnership South West development consortium has placed us in a strong position for securing grant for new affordable housing.

We contracted with the Homes and Communities Agency to develop a total of 546 new homes under the government's Affordable Rent programme for 2011-2015. The outturn position will be 567 new homes of which 393 are for rent and 174 for sale on a shared ownership basis.

We also have additional HCA grant funding which will result in a further 107 homes by March 2017 and funding from Cornwall Council to deliver a further 500 homes in the county by March 2016.

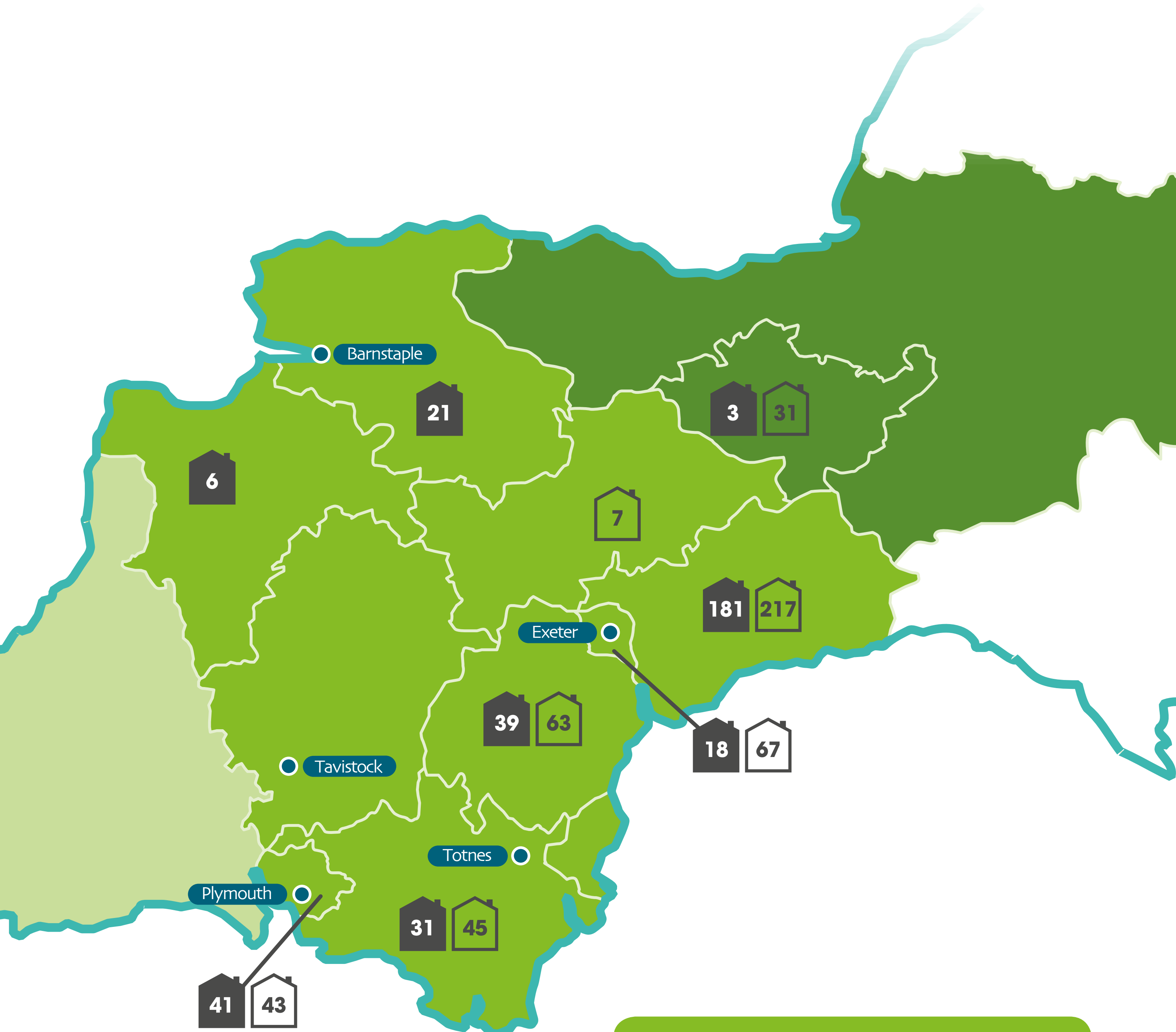
During the year we successfully bid for 221 new homes under the 2015/18 programme period. This programme has now been extended to 2020 under continuous bidding, providing the opportunity to bid for further funding as new opportunities arise.

A total of 408 rented homes were brought into management during the year and a further 494 were in development at the year end.

Sales performance remained strong with 143 homes completed for first tranche shared ownership sale, and 76 open market sales generating profits of £5.2m during the year. The 76 open market properties sold during the year included the first 16 properties developed solely by Westco and sold under the DCH brand. The 103 properties sold in 2014 were all joint venture units. In total 50 homes were available for sale on either a shared ownership or open market basis at the year end and a further 214 shared ownership and 155 open market homes were under construction.

Key: DCH Housing Stock April 14 - March 15 across Devon and Cornwall

Affordable housing completions	563
Affordable housing starts	536
Outright sale completions	76
Outright sale starts on site	150



DCH housing stock	2014	2015
General needs	14,168	15,882
Sheltered housing	2,186	2,383
Supported housing	611	528
Shared ownership	1,969	2,099
Other	1,516	1,658
Total	**20,450**	**22,550***

* 2015 figures include West Devon Homes

Funding and treasury management

Our operations expose us to a variety of financial risks that include the effects of changes in liquidity risk, interest rate risk, credit risk and debt market prices. The treasury function operates within a framework of clearly defined board approved policies, procedures and delegated authorities that seek to limit the adverse effects on the financial performance of the group. The borrowing instruments approved for use within the group, all of which are on balance sheet instruments, are defined within the treasury management policy. Covenant compliance is actively monitored by the Treasury committee and the board.

£378m	Drawn loans
£155m	Undrawn facilities
£29m	Cash deposits and gilts

£47m	Due <5 years
£65m	Due <10 years
£155m	Due <20 years
£111m	Due >20 years

25%	Fixed <5 years
37%	Fixed >5 years
15%	Index linked
23%	Variable

Liquidity

We maintain adequate debt funding facilities to cover our operations and planned developments. As at 31 March 2015 we had £533m of long term committed debt funding, of which £378m had been drawn. £43m was secured and available for immediate drawdown, £60m can be secured immediately from our pool of available secured properties and £52m was in the process of being secured for draw down in September 2015. In total 13,562 properties are charged to the security trustee or directly to lenders with full details held on the housing management system. A further 6,799 general needs and shared ownership properties are uncharged and available to secure future borrowings.

We actively monitor the cash flow requirements of our operating and development activities and we have a treasury management policy in place which requires, as a minimum, nine months net cash requirement to be held as cash, liquid investments and loan facilities capable of immediate drawdown. The18 month net cash requirement and any additional committed development requirement are required to be held as cash, short term deposits and loan facilities capable of being secured within nine months.

Overdraft facilities of £1.5m provide us with further flexibility.

Refinancing

We have limited short to medium term refinancing risk with less than 30% of drawn loans repayable within the next 10 years.

Interest rates

Our approach to interest rate management is to maintain a balanced portfolio of fixed, variable and index linked debt. As at 31 March 2015 £322m of DCH borrowings are variable rate loans which have been hedged with £239m free-standing fixed interest rate and inflation differential swaps.

We also have an indirect exposure to bond rates through our pension scheme commitments.

Credit risk

Our treasury management policy sets the minimum credit rating requirements for all approved forms of deposit and the limits on credit exposure to any one counterparty. All counterparties are approved by our Treasury committee. The policy also covers counterparty credit risk on free-standing derivatives.

Market prices

At 31 March 2015 we had an exposure to price risk on a £10m long-dated gilt which was sold in May 2015. We have no direct exposure to equity securities price risk but do have an indirect exposure in respect of obligations under the Social Housing Pension Scheme and Cornwall and Devon County Council Superannuation Funds.

Margin call

We have free-standing derivatives which can give rise to margin calls. This risk is managed by charging additional properties as security. Our approach in this area is cautious and sufficient properties are secured to cover margin calls in the event of a fall in long term interest rates to 1.5%.

Summer 2015 Budget

Over the next few months, understanding the impact on the credit status of the housing sector arising from the July 2015 budget changes and specifically what these changes mean to investor appetite, cost of borrowing and security valuations will be pivotal as DCH reviews its future development programme.

Angela Dupont,
Group Chairman
6 August 2015

Our development at Grampound Road near Truro in Cornwall provides 44 much needed high quality new affordable homes.

04 Group structure and corporate governance

We are targeting our communities based on need and on the social and business return on our investment.

04

Group structure and corporate governance

Devon and Cornwall Housing Limited (DCH) amalgamated with West Devon Homes (WDH) on 25 March 2015 to create (new) DCH. On amalgamation, the corporate and governance structures of DCH were largely unchanged.

Devon and Cornwall Housing Limited (DCH) is the parent company of our group, providing strong, clear leadership and directing our resources across the 22,550 properties we own or manage. It is registered under the Co-operative and Community Benefit Societies Act 2014 and as a registered provider of social housing.

Our single DCH identity is fundamental to supporting our strategy, giving clarity to stakeholders, and delivering substantial value for money benefits. We have retained specialist companies within our group structure and this will be reviewed to reflect any changes arising from the strategic review we will be concluding in the autumn.

Companies within the group are listed on page 92.

The section below sets out details of our corporate governance, including:

1 ▶ **the DCH board**
2 ▶ **board skills, recruitment and training**
3 ▶ **our committees**
4 ▶ **the CICs board**
5 ▶ **ServiceWatch scrutiny group**
6 ▶ **our Executive Management team, and the Operational Management team**
7 ▶ **regulation.**

We have adopted the National Housing Federation's code of excellence in governance and comply with the 2015 version of the code.

1 Our board

Devon and Cornwall Housing Limited (DCH) is governed by its board, which is ultimately responsible for the control of the group, including the determination of its overall objectives and strategy.

Our board has the power to direct the use of our financial resources in order to deliver our strategy. Its role is to direct and control our work; to determine strategic direction and policies, to establish and oversee the framework of delegation and systems of internal control including group performance and risk management. Our board monitors the performance of all organisations within the group to ensure that they remain financially viable and conduct their affairs properly.

The board consists of non-executive members from a wide variety of disciplines and backgrounds, and the Group Chief Executive and the Group Director of Finance. All non-executive board members are required to be shareholders of DCH.

The current board members are shown in the company information section of this report and include the DCH board members immediately prior to amalgamation, including Mark Rowan who joined on 16 April 2014 and Jenefer Greenwood who joined on 1 August 2014 and one member of the West Devon Homes board, Paul Love, who joined on 25 March 2015. The number of board members on the new DCH board that were previously on the old DCH board and WDH board was agreed by the boards and was determined by the proportion of properties previously under management by the two associations.

Members of the board are required to direct the affairs of the company in accordance with its rules. In addition board members are required to exhibit the highest standards of probity and in particular to:

- have no financial interest either personally or through a related party in any contract or transaction with the group except as permitted under the DCH rules
- act only in the interests of the group whilst undertaking its business.

The DCH board has met six times this year.

2 Board skills, recruitment and training

Direction of the group requires a wide set of skills, qualities and experience. No one board member is expected to exhibit all skills that are needed but collectively, the board has amongst its membership a range of skills, experience and understanding of corporate governance, general business strategy and management, finance, property investment and neighbourhood development and management.

Board members are paid for their services, with pay levels set following an independent assessment of comparable organisations. Board pay is accompanied by clear expectations of individual and collective board member performance, with appropriate frameworks in place to manage this.

3 Our committees

The board has three committees; audit and risk, treasury, and remuneration. In addition, DCH and each of its subsidiaries have separate recruitment panels for appointments to their boards.

Audit and risk committee

The Audit and Risk committee has the task of ensuring that all organisations in the group place appropriate emphasis on their responsibilities for financial reporting, audit (both internal and external), internal control, risk management and regulatory compliance.

It consists of up to five non-executive board members appointed from across the group, based on skills and experience, including at least one member with recent and relevant financial experience suited to reviewing the work of audit. The committee met five times during the year.

Treasury committee

The Treasury committee is responsible for the governance of all treasury activities within the group and for proactively monitoring treasury risks and related matters.

It consists of up to five non-executive board members appointed from across the group, including at least one member with recent and relevant treasury experience and the Group Director of Finance. The committee met five times during the year.

Remuneration committee

The Remuneration committee is responsible for setting the level of board pay, the remuneration of the Group Chief Executive and the group management team.

It consists of up to five non-executive board members. The Remuneration committee met three times during the year.

Recruitment panels

Recruitment panels are established by the DCH board and each subsidiary board, as appropriate, to facilitate the recruitment of new board members.

The panels are made up of at least three members including the Group Chairman, to ensure consistency across the group.

4 The CICs board

Our Community Interest Companies (CICs) in Cornwall and Devon are governed by a single board, chaired by a non-executive member of the DCH board. The board provides governance oversight and accountability for operational services, asset management and the delivery of the DCH community investment strategy.

The board members are a mix between independent members and residents, appointed on the basis of skills and experience.

The CICs board met six times during the year.

5 ServiceWatch scrutiny group

ServiceWatch is our strategic customer panel that scrutinises our work at local levels to ensure we are taking full account of resident views and priorities.

The success of ServiceWatch is of key importance to DCH as effective scrutiny is intrinsic to supporting both strong governance and effective service delivery. It puts residents in the lead, takes a fresh eye to scrutinising our work and delivering results and in particular emphasises value for money from a customer perspective.

ServiceWatch prioritises its areas of review based on performance levels and customer satisfaction, as well as requests from the boards.

ServiceWatch has previously reviewed:

- **income management** focusing on how we prevent residents getting into arrears
- **lettings and void management** focusing on re-let times and the customer experience of the selection process
- **development of new homes** researching effective outcomes from the resident involvement and customer feedback processes in this area
- **responsive repairs** focusing on getting repairs right first time
- **complaints** focusing on customer satisfaction, communications and organisational learning.

During a recent internal audit ServiceWatch achieved full assurance and in fieldwork was described by the auditor as being among the most effective scrutiny bodies they have encountered nationally. The DCH ServiceWatch framework has been included as a good practice example in a Housing Quality Network guide to resident scrutiny and members have been invited on a number of occasions to speak publicly about their work. ServiceWatch is currently beginning the process of seeking the Quality Assured Scrutiny accreditation.

ServiceWatch met eight times during the year.

6 Our Executive Management team and Operational Management team

Our Executive Management team has delegated authority from the DCH board and the boards of the subsidiary organisations for:

- the day-to-day operations of the group
- monitoring our operational performance and reporting appropriately to our board and the boards of our subsidiary organisations
- implementing policies and strategies agreed by our board and the boards of the subsidiary organisations, reviewing those policies and strategies and proposing changes as appropriate.

The members of the Executive Management team are shown in the company information section of this report.

As the size and complexity of our operations have grown, we have recognised the need to ensure that the Executive Management team is able to focus on the continuing development and delivery of our strategy, while a strong second tier of management focuses on operational performance.

The Operational Management team comprises lead senior managers across the business, providing oversight and decision-making across performance, risk, internal audit, value for money, and the approval of development projects for affordable homes.

7 Regulation

The regulator's assessment on compliance with its Governance and Financial Viability Standard is expressed in gradings from G1 to G4 for governance and V1 to V4 for viability. For both governance and viability the first two grades indicate compliance with the standard.

The regulatory judgement for DCH, published by the Homes and Communities Agency in October 2014, states:

- **G1** meets the requirements on governance set out in the Governance and Financial Viability Standard
- **V1** meets the requirements on viability set out in the Governance and Financial Viability Standard and has the capacity to mitigate its exposures effectively.

The regulator is making changes to the way it assesses registered providers' compliance with its regulatory requirements and as such is changing its approach to regulatory engagement to ensure that it continues to get adequate assurance in a more complex and riskier environment. To enable the regulator to gain a good understanding of how its new in-depth assessments will operate, it has been carrying out pilot IDAs with selected registered providers. We have been invited to participate in a pilot IDA and are pleased to support the regulator in its new approach to regulation.

Members of our customer scrutiny group ServiceWatch, which was recognised nationally at this year's TPAS awards.

05 Board report

The Docks in Millbay is a new development of waterside homes within Plymouth's historic coastal quarter.

Board report

The DCH board presents its report and audited consolidated financial statements of the company and its subsidiaries (the group) for the year ended 31 March 2015.

Internal controls and directors' responsibilities

Internal controls assurance

The board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. This responsibility applies for all organisations within the group, including those not registered with the Homes and Communities Agency.

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

In meeting its responsibilities, the board has adopted a risk-based approach to establishing and maintaining internal controls which are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the company is exposed.

The process for identifying, evaluating and managing the significant risks faced by the group is ongoing. It has been in place throughout the period commencing 1 April 2014 up to the date of approval of the annual report and financial statements.

The arrangements 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, include:

- leadership by the board and its subsidiary boards in analysing the strengths, weaknesses, opportunities and threats of the group
- requiring a risk assessment before any board decision is made, and by the audit and risk committee reviewing internal control and major risks of the group
- clear delegation of responsibility for risk management within the organisation as documented in the financial regulations and standing orders, board and committee terms of reference, individual job descriptions and group risk map
- active regular assessment of risks by boards, committees and management and a formal annual review of risks and controls in place to manage them
- accountability for risk management through formal reports by boards, committees and management to the audit and risk committee and to the boards
- embedding risk management into the culture of DCH by ensuring that risk is assessed as part of the decision-making process by management and a proactive approach to identifying changes in risks and controls
- using external means of validation through regular risk-based audits and acting on resulting recommendations
- a DCH anti-fraud policy, covering prevention, detection and reporting of fraud, the recovery of assets and review of entries in the fraud register by the Audit and Risk committee.

Statement of board's responsibilities in respect of the board's report and financial statements

The board is responsible for preparing the board's report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the board to prepare financial statements for each financial year. Under those regulations the board have elected to prepare the financial statements in accordance with UK Accounting Standards. The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the income and expenditure of the group and company for that period.

In preparing these 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 UK Accounting Standards and the Statement of Recommended Practice 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 group and company will continue in business.

The board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the group and company and enable it to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012. The board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

A resolution to re-appoint KPMG LLP as auditor will be proposed at the forthcoming annual general meeting.

Report of the board

The report of the DCH board was approved on 6 August 2015 and signed on its behalf by:

Angela Dupont
Group Chairman

06 Independent auditor's report

As well as financial efficiencies, creating one in-house repairs team across Devon and Cornwall offers additional and improved customer services, and the potential for greater training and apprenticeship opportunities for staff.

06

The successful merger between DCH and West Devon Homes creates value for lasting investment in services in communities.

Independent auditor's report

Independent auditor's report to the members of Devon and Cornwall Housing Limited

We have audited the financial statements of Devon and Cornwall Housing Limited for the year ended 31 March 2015 set out on pages 50 to 89. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the company those matters we are required to state to it 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 company as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditor

As more fully explained in the Statement of boards' responsibilities set out on page 45 the company's board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at **www.frc.org.uk/auditscopeukprivate.**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the group and company as at 31 March 2015 and of the surplus for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the company has not kept proper books of account; or
- the company has not maintained a satisfactory system of control over transactions; or
- the financial statements are not in agreement with the company's books of account; or
- we have not received all the information and explanations we need for our audit.

Harry Mears
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Plym House
Plymouth PL6 8LT

07 Income and expenditure account

The Vision development is just one example of DCH's investment in the regeneration of the Devonport area of Plymouth.

07

Customer services remain one of our highest priorities. This year satisfaction reached a new high of 90% and continues to grow.

Income and expenditure account

for the year ended 31 March 2015

	Note	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
TURNOVER	2	**117,271**	111,003	**101,820**	94,601
Operating costs	2	**(84,110)**	(82,682)	**(68,800)**	(66,056)
Operating surplus	2	**33,161**	28,321	**33,020**	28,545
Share of loss in associate		**(9)**	–	**–**	–
Surplus on property sales	3	**2,038**	1,213	**2,036**	1,213
Loss on sale of fixed asset investment		**(83)**	–	**(83)**	0
Interest receivable and other income	7	**673**	680	**787**	811
Interest payable and similar charges	8	**(11,943)**	(11,614)	**(11,787)**	(11,458)
Other finance costs – pensions	27	**(200)**	(181)	**(200)**	(181)
Surplus on ordinary activities before tax	4-6	**23,637**	18,419	**23,773**	18,930
Exceptional item: gain on non-exchange transaction	29	**37,141**	–	**37,141**	–
Minority interest		**6**	–	**–**	–
Tax on surplus on ordinary activities	9	**(29)**	(23)	–	–
Surplus for the year	22,23	**60,755**	18,396	**60,914**	18,930
STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS					
Surplus for the year		**60,755**	18,396	**60,914**	18,930
Surplus/(deficit) on revaluation	21	**5,531**	(810)	**5,531**	(810)
Actuarial loss	27	**(1,949)**	(850)	**(1,949)**	(850)
Total recognised surplus relating to the year		**64,337**	16,736	**64,496**	17,270

08 Balance sheet

Situated in the heart of Teignmouth our New Horizons development offers a wide range of high quality affordable new homes for rent, open market sale and shared ownership.

Balance sheet

as at 31 March 2015

		Note	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
FIXED ASSETS						
Housing Properties	Cost net of depreciation	10	**1,091,423**	990,086	**1,067,171**	965,702
	SHG	10	**(448,049)**	(438,145)	**(447,754)**	(437,850)
			643,374	551,941	**619,417**	527,852
Other tangible fixed assets		11	**12,247**	9,856	**12,026**	9,662
Financial assets			**–**	97	**–**	–
Investments		12	**184**	199	**6,452**	6,421
Homebuy loans			**6,099**	6,324	**5,400**	5,515
Homebuy grants			**(5,642)**	(5,778)	**(5,400)**	(5,515)
			656,262	562,639	**637,895**	543,935
CURRENT ASSETS						
Properties for sale		13	**14,464**	14,760	**5,446**	6,918
Stock			**177**	184	**139**	169
Debtors		14	**11,246**	8,560	**13,314**	8,666
Financial assets			**97**	156	**–**	–
Investments		15	**14,926**	12,370	**14,926**	12,370
Cash at bank and in hand			**14,237**	14,607	**13,226**	14,184
			55,147	50,637	**47,051**	42,307
CREDITORS:						
amounts falling due within one year		16	**(35,693)**	(32,580)	**(32,718)**	(29,172)
Net current assets			**19,454**	18,057	**14,333**	13,135
			675,716	580,696	**652,228**	557,070

	Note	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
CREDITORS:					
amounts falling due after more than one year	17	**377,965**	350,929	**377,965**	350,929
PROVISION FOR LIABILITIES AND CHARGES					
Pension liability	27	**10,162**	6,536	**10,162**	6,536
Deferred tax	19	**20**	(6)	**–**	–
		388,147	357,459	**388,127**	357,465
MINORITY INTEREST		**–**	5	**–**	–
CAPITAL AND RESERVES					
Called up share capital	20	**–**	–	**–**	–
Revaluation reserve	21	**7,756**	2,225	**7,756**	2,225
Designated reserves	22	**62,879**	70,047	**62,879**	70,047
Revenue reserves	22	**216,934**	150,960	**193,466**	127,333
	23	**287,569**	223,232	**264,101**	199,605
		675,716	580,696	**652,228**	557,070

These financial statements were approved by the board on 6 August 2015 and were signed on its behalf by:

Paul Crawford
(Group Chief Executive)

Melvyn Garrett
(Group Director of Finance)

Jill Farrar
(Group Company Secretary)

09 Cash flow statement

Cash flow statement

for the year ended 31 March 2015

	Note	2015 £000	2014 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	(a)	44,768	35,606
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		855	680
Interest paid		(13,011)	(12,448)
		(12,156)	(11,768)
TAXATION			
Corporation Tax paid/(received)		(1)	70
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of housing properties		(56,715)	(58,095)
Purchase of other fixed assets		(2,477)	(1,319)
Capital grants received		7,230	7,296
Sale of housing properties		6,320	4,469
Financial assets		(6)	–
Redemption of Homebuy loans		217	158
Investment in associate		–	(255)
		(45,431)	(47,746)
FINANCING			
Loans received		40,674	24,000
Loans repaid		(28,771)	(7,791)
	(c)	11,903	16,209
DECREASE IN CASH	(c)	(917)	(7,629)

	Note	2015 £000	2014 £000
NOTES TO THE CASH FLOW STATEMENT			
(a) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating surplus		**33,161**	28,321
Depreciation charges – other fixed assets		**1,117**	1,245
Depreciation charges – housing properties		**9,751**	9,404
Increase in debtors		**(355)**	(1,708)
Increase in creditors		**1,072**	1,237
Decrease/(increase) in properties for sale		**303**	(2,544)
Increase in pension liability		**(204)**	(361)
Loss on the sale of investments		**(83)**	–
Sale of other fixed assets		**6**	12
Net cash inflow from operating activities		**44,768**	35,606
(b) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Cash flow decrease in cash		**(917)**	(7,629)
Cash flow from increase in loan finance		**(11,903)**	(16,209)
		(12,820)	(23,838)
Non cash changes in loan finance		**2,556**	(809)
Acquisition (note 29)		**(14,453)**	-
Net debt at 1 April 2014		**(324,080)**	(299,433)
Net debt at 31 March 2015		**(348,797)**	(324,080)

	1 April £000	Cash Flow £000	Non-cash Changes £000	Acquisition £000	31 March £000
(c) ANALYSIS OF MOVEMENT IN NET DEBT					
Cash	**14,607**	**(917)**	**–**	**547**	**14,237**
Investments	**12,370**	**–**	**2,556**	–	**14,926**
	26,977	**(917)**	**2,556**	**547**	**29,163**
Debt < 1 year	**(1,092)**	**1,092**	**(1,192)**	**–**	**(1,192)**
Debt > 1 year	**(349,965)**	**(12,995)**	**1,192**	(15,000)	**(376,768)**
	(351,057)	**(11,903)**	**-**	**(15,000)**	**(377,960)**
Total	**(324,080)**	**(12,820)**	**2,556**	**(14,453)**	**(348,797)**

10 Notes to the financial statements

A key service for DCH is delivering high quality housing schemes offering older people security and opportunities to enjoy independence in their retirement.

Notes to the financial statements

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable UK accounting standards, the Accounting Direction for Private Registered Providers of Social Housing 2012 and the Statement of Recommended Practice "Accounting by Registered Social Landlords" Update 2010 (2010 SORP).

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and investment properties. The board is satisfied that the current accounting policies are the most appropriate for the group.

GOING CONCERN

The board, after reviewing the group and company budgets for 2015/16 and the group's medium term financial position as detailed in the 30-year business plan is of the opinion that the group and company have adequate resources to continue in business for the foreseeable future. The board therefore continues to adopt the going concern basis in preparing the annual financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries made up to 31 March 2015. Associates are incorporated using equity accounting.

BASIS OF AMALGAMATION

On 25 March 2015 DCH amalgamated with West Devon Homes Limited retaining the name Devon and Cornwall Housing Limited for the amalgamated entity. The amalgamation has been treated as an acquisition for accounting purposes. The gain arising on amalgamation has been treated as an exceptional item.

RELATED PARTY TRANSACTIONS

Transactions within the group that require disclosure under the Accounting Direction and have been eliminated on consolidation are disclosed in note 28.

The company has taken advantage of the exemption in FRS8 not to disclose intra-group transactions, as the company prepares consolidated financial statements.

TURNOVER

Turnover represents rental, service charge and support charge income, revenue grants, charges for other services receivable in the year, proceeds from initial sales of shared ownership properties and outright property sales (excluding VAT).

HOUSING PROPERTIES

Housing properties include properties available for rent and retained interests in properties sold under shared ownership leases and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges during the development period and directly attributable development administration costs. Shared ownership properties in work in progress are stated net of the estimated cost of the first tranche sale.

Donated land is added to the cost of housing properties at the market value of the land at the time of the donation.

DEPRECIATION AND IMPAIRMENT OF HOUSING PROPERTIES

Housing properties are split between land, structure costs and, where the group has a maintenance liability, major components that require periodic replacement.

No depreciation is provided on freehold land. Structure costs, after deduction of an applicable portion of Social Housing Grant, are depreciated by equal annual instalments over the estimated useful economic life from the date of acquisition. Where the group has a maintenance liability for components these costs are depreciated separately over their estimated useful lives.

Rented properties – structure	new build	not exceeding 100 years
	other	not exceeding 100 years
Rented properties – components	roofs	50 years
	windows/external doors	30 years
	bathrooms	30 years
	kitchens	20 years
	boilers/electric heating	15 years
	heating systems	30 years
Shared ownership properties		not exceeding 100 years
Leasehold properties		shorter of the remaining useful life and the remaining lease term

Housing properties are reviewed annually for evidence of impairment. Where there is evidence of impairment properties are written down to their recoverable amount.

REVALUATION

DCH has adopted a policy of revaluation of non-social housing properties. They are shown at fair value based on valuations provided by external independent valuers. Valuations are to be performed on an annual basis to ensure that the carrying value does not differ significantly from the fair value at the balance sheet date.

To ensure that the carrying amount of the properties can be supported the carrying amounts are subject to annual impairment reviews in accordance with Financial Reporting Standard 11 'Impairment of fixed assets and goodwill'.

ENHANCEMENTS TO EXISTING PROPERTIES

Enhancement expenditure consists of works to existing properties which result in an increase in the net rental stream and is capitalised only to the extent that the total costs, including enhancements, do not exceed the greater of net realisable value and value in use.

CAPITAL GRANTS

Social Housing Grant (SHG) and other capital grants receivable, including donated land, in respect of the capital cost of housing properties, are shown separately in the balance sheet as a deduction from the cost of housing properties. SHG due from the Homes and Communities Agency is included as a current asset and SHG received in advance is included as a current liability.

SHG can be recycled upon certain occurrences, principally the disposal of the property. Any SHG eligible for recycling is transferred to the Recycled Capital Grant Fund (RCGF) and included in creditors. To the extent that the RCGF is repayable within one year unless utilised it is included within creditors falling due within one year. The balance of the RCGF is included within creditors falling due after more than one year.

All SHG remains repayable unless abated or waived by the Homes and Communities Agency but, with the agency's agreement, is subordinated to other loans.

CAPITALISATION OF INTEREST
Interest on net borrowings, to the extent that it is financing developments, is capitalised up to the date of practical completion of the scheme. Interest capitalised is net of interest receivable on SHG received in advance of practical completion.

LONG TERM CONTRACTS
Long term contracts are assessed on a contract by contract basis. Turnover and profit on the sale of individual properties is recognised upon sales completion. Turnover on development contracts is recognised as valuation payments become due, profit is recognised when it becomes reasonably certain. Full provision is made for any foreseeable losses.

PROPERTIES FOR SALE
Properties for sale are included within current assets at the lower of cost and net realisable value and comprise properties developed for sale and the estimated first tranche disposal of shared ownership properties unsold or under development at the year end.

SURPLUS ON PROPERTY SALES
The surplus or deficit on property sales includes the sale of rented properties and the sale of second and subsequent tranches of shared ownership properties. Provision is made for any expected loss, after the abatement of Social Housing Grant, on properties which have been or are expected to be repossessed.

Surpluses on Right to Acquire sales after allowable expenses, as defined in the Homes and Communities Agency Capital Funding Guide, are transferred to the disposal proceeds fund (DPF). To the extent that the DPF is repayable within one year unless utilised it is included within creditors falling due within one year. The balance of the DPF is included within creditors falling due after more than one year.

OTHER FIXED ASSETS AND DEPRECIATION
No depreciation is provided on freehold land. Depreciation is provided to write off the cost of other fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold buildings	– 30 to 50 years
Fixtures & fittings	– 4 to 10 years
Computer equipment	– 3 to 5 years
Motor vehicles	– 5 years

FINANCIAL INSTRUMENTS AND FINANCIAL ASSETS
The group uses interest rate swaps to manage its exposure to interest rate changes. The notional principal is not reflected in the group's balance sheet. Payments made under swaps are adjusted against interest payable on the loans.

The fair value of swaps held by Tor Homes at the date of joining the group are included as financial assets and are being amortised over the life of the swaps. Amounts due to be amortised within one year are shown in current assets.

INVESTMENTS
Listed investments are stated at market value. Investments held for sale are included in current assets.

HOMEBUY, KEY WORKER AND STARTER HOME MORTGAGES
Mortgages granted under the Homebuy, Key Worker and Starter Home schemes are included in fixed asset investments at cost net of the Social Housing Grant receivable. The mortgages are not held for their investment potential and the group has no discretion to realise them. Therefore they are included at cost rather than valuation.

DESIGNATED RESERVES
The group maintains designated reserves where reserves are earmarked for particular purposes.

Major repairs reserve
The group maintains a major repairs reserve to recognise the future cost of major repairs, re-improvement and rehabilitation works to housing properties. The amount transferred is based on an estimate of expected future liabilities using the group's life-cycle costing model.

Re-investment reserve
The group maintains a re-investment reserve to recognise the future cost of enhancement expenditure that does not fall within the group's policy for capitalisation.

Other reserves
The group maintains other designated reserves to recognise the future start up and on-going revenue costs of specific projects.

CYCLICAL REPAIRS AND MAINTENANCE
The group has a regular programme for cyclical repairs and maintenance. The actual costs are charged to the Income & Expenditure Account as incurred.

SUPPORTING PEOPLE INCOME AND EXPENDITURE

Block grant income and its associated expenditure are included in the financial statements as other social housing activities. Block subsidy income and its associated expenditure are included as social housing lettings activity.

SUPPORTED HOUSING MANAGED BY AGENCIES

Social housing capital grants are claimed by the group as developer and owner of the property and included in the balance sheet of the group. The treatment of other income and expenditure in respect of supported housing projects depends on the nature of the partnership arrangements between the group and its managing agents and on whether the group carries the financial risk.

Where the group holds the support contract with the Supporting People Administering Authority and carries the financial risk, all the project's income and expenditure is included in the group's income and expenditure account.

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the group. Other income and expenditure of projects in this category is excluded from the group's income and expenditure account.

CARE & REPAIR

Care & Repair activities are included in turnover and operating costs. Operating costs include overheads on a fully apportioned basis.

REVENUE GRANTS

Revenue grants are credited to the income and expenditure account over the period in which the related expenditure is incurred.

TAXATION INCLUDING DEFERRED TAX

The charge for taxation is based on surpluses arising on certain activities which are liable to tax.

Provision is made for deferred tax under the liability method on timing differences that have arisen, but not reversed, at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

VAT

The group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent it is not recoverable. The balance of VAT payable or recoverable is included as a current liability or asset.

PENSIONS

The group participates in the following pension schemes:

The Social Housing Pension Scheme – which is a multi employer pension scheme administered by The Pensions Trust Limited. From 1 April 2014 the group closed the final salary scheme and closed the 1/60 CARE (career average re-valued earnings) scheme to new entrants. A 1/120 CARE scheme opened from 1 April 2014 which together with a defined contribution option are available to all staff. The assets of the scheme are invested and managed independently of the group. Pension costs are assessed in accordance with the recommendation of an actuary based on the costs applicable to the participating associations taken as a whole. The assets and liabilities of the scheme cannot be attributed to individual employers and accordingly the scheme is accounted for as a defined contribution scheme. Contributions to the scheme are charged to the Income and Expenditure Account over the service lives of the employees. In addition the group participates in the Pension Trust Growth Plan but makes no contributions into this plan.

The Cornwall Council Pension Fund and the Devon County Council Pension Fund which are defined benefit final salary pension schemes. The assets of the schemes are invested and managed independently of the group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating costs, finance costs and, in the statement of recognised gains and losses, actuarial gains and losses.

Call24 participates in a defined contribution pension scheme operated by The Social Housing Pension Scheme making contributions based on annual salaries. The assets of the scheme are held separately from those of the company. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2 TURNOVER AND OPERATING SURPLUS

	Group					
	2015			2014		
	Turnover £000	Operating costs £000	Operating surplus/(deficit) £000	Turnover £000	Operating costs £000	Operating surplus/(deficit) £000
SOCIAL HOUSING LETTINGS	**87,041**	**(58,541)**	**28,500**	81,870	(56,537)	25,333
OTHER SOCIAL HOUSING ACTIVITIES						
Supporting People contract income	**3,345**	**(3,926)**	**(581)**	3,774	(3,904)	(130)
Care & Repair	**1,138**	**(1,268)**	**(130)**	1,186	(1,215)	(29)
Maintenance and alarm call service income	**1,773**	**(1,539)**	**234**	2,024	(1,920)	104
Shared ownership fee income	**113**	**(76)**	**37**	76	(54)	22
Shared ownership initial sales	**10,276**	**(8,011)**	**2,265**	9,270	(7,325)	1,945
Affordable house sales	**–**	**(25)**	**(25)**	748	(642)	106
Development costs	**80**	**(1,011)**	**(931)**	133	(848)	(715)
Other	**174**	**(283)**	**(109)**	198	(235)	(37)
	16,899	**(16,139)**	**760**	17,409	(16,143)	1,266
NON-SOCIAL HOUSING						
Non-social housing lettings	**1,168**	**90**	**1,258**	1,206	(456)	750
Property sales	**11,822**	**(8,882)**	**2,940**	10,177	(8,896)	1,281
Other	**341**	**(638)**	**(297)**	341	(650)	(309)
	13,331	**(9,430)**	**3,901**	11,724	(10,002)	1,722
Total	**117,271**	**(84,110)**	**33,161**	111,003	(82,682)	28,321

INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Group				
	2015				2014
	General needs £000	Shared ownership £000	Supported housing £000	Total £000	Total £000
INCOME FROM SOCIAL HOUSING LETTINGS					
Rent receivable net of identifiable service charges	**66,017**	**5,000**	**10,280**	**81,297**	76,297
Service charges receivable	**1,948**	**402**	**3,394**	**5,744**	5,542
Net rents receivable	**67,965**	**5,402**	**13,674**	**87,041**	81,839
Revenue grants from local authorities and other agencies	**–**	**–**	**–**	**–**	31
Total income from social housing lettings	**67,965**	**5,402**	**13,674**	**87,041**	81,870
EXPENDITURE ON SOCIAL HOUSING LETTING ACTIVITIES					
Rent losses from bad debts	**140**	**10**	**146**	**296**	424
Services	**2,016**	**390**	**2,652**	**5,058**	5,242
Management	**15,024**	**1,421**	**3,229**	**19,674**	19,305
Responsive maintenance	**9,758**	**–**	**1,781**	**11,539**	12,235
Cyclical maintenance	**6,266**	**–**	**1,346**	**7,612**	6,173
Major repairs expenditure	**3,427**	**–**	**833**	**4,260**	3,883
Depreciation of housing properties	**8,306**	**637**	**1,159**	**10,102**	9,275
Total expenditure on social housing lettings	**44,937**	**2,458**	**11,146**	**58,541**	56,537
Operating surplus on social housing letting activities	**23,028**	**2,944**	**2,528**	**28,500**	25,333
Rent losses from voids	**(438)**	**–**	**(475)**	**(913)**	(737)

Maintenance and alarm call service income includes £1.3m of turnover (2014: £1.2m) and £1.2m (2014: £1.2m) of operating costs relating to discontinued activities.

INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Company					
	2015			2014		
	Turnover £000	Operating costs £000	Operating surplus/ (deficit) £000	Turnover £000	Operating costs £000	Operating surplus/ (deficit) £000
SOCIAL HOUSING LETTINGS	87,041	(59,160)	27,881	81,870	(56,793)	25,077
OTHER SOCIAL HOUSING ACTIVITIES						
Supporting People contract income	436	(408)	28	412	(377)	35
Care & Repair	–	(82)	(82)	–	(63)	(63)
Shared ownership fee income	113	(76)	37	76	(54)	22
Shared ownership initial sales	10,276	(8,011)	2,265	9,270	(7,325)	1,945
Development costs	80	(1,011)	(931)	132	(848)	(716)
Other	169	(108)	61	176	(103)	73
	11,074	(9,696)	1,378	10,066	(8,770)	1,296
NON-SOCIAL HOUSING ACTIVITIES						
Non-social housing lettings	1,168	56	1,224	1,206	(493)	713
Gift Aid receivable	2,537	–	2,537	1,459	–	1,459
	3,705	56	3,761	2,665	(493)	2,172
Total	101,820	(68,800)	33,020	94,601	(66,056)	28,545

INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Company				
	2015				2014
	General needs £000	Shared ownership £000	Supported housing £000	Total £000	Total £000
INCOME FROM SOCIAL HOUSING LETTINGS					
Rent receivable net of identifiable service charges	66,017	5,000	10,280	81,297	76,297
Service charges receivable	1,948	402	3,394	5,744	5,542
Net rents receivable	67,965	5,402	13,674	87,041	81,839
Revenue grants from local authorities and other agencies	–	–	–	–	31
Total income from social housing lettings	67,965	5,402	13,674	87,041	81,870
EXPENDITURE ON SOCIAL HOUSING LETTING					
Rent losses from bad debts	140	10	146	296	424
Services	2,016	390	3,098	5,504	5,436
Management	15,155	1,682	3,284	20,121	19,642
Responsive maintenance	9,758	–	1,781	11,539	12,235
Cyclical maintenance	6,266	–	1,346	7,612	6,173
Major repairs expenditure	3,427	–	833	4,260	3,883
Depreciation of housing properties	8,017	652	1,159	9,828	9,000
Total expenditure on social housing lettings	44,779	2,734	11,647	59,160	56,793
Operating surplus on social housing letting activities	23,186	2,668	2,027	27,881	25,077
Rent losses from voids	(438)	–	(475)	(913)	(737)

3 SURPLUS ON PROPERTY SALES

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Disposal proceeds	**6,206**	4,128	**6,115**	4,128
Cost of fixed assets	**(4,168)**	(2,915)	**(4,079)**	(2,915)
Surplus on property sales	**2,038**	1,213	**2,036**	1,213

4 SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

		Group		Company	
		2015 £000	2014 £000	**2015 £000**	2014 £000
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED AFTER CHARGING:					
Auditors' remuneration	Audit	**50**	37	**40**	25
	Other services relating to taxation	**29**	21	**23**	16
Depreciation and other amounts written off housing properties		**9,751**	9,404	**9,476**	9,130
Depreciation and other amounts written off other tangible fixed assets		**1,117**	1,245	**1,054**	1,171
Operating lease rentals		**5**	44	**5**	44

5 REMUNERATION OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

The directors of the group and company are the members of the board, the Group Chief Executive and Group Director of Finance.

During the year the group executive management team also included the Group Directors of Asset Management, Development, Housing and Communities, Business, Human Resources and Communications, Strategy and Performance and Chief Executive of Housing Services. The Group Director of Strategy and Performance was appointed during the year. The Group Directors of Development and Business resigned and the Chief Executive of Housing Services retired during the year.

The remuneration of the Group Chief Executive and group executive management team are determined by the Remuneration Committee. All members of the group executive management team are entitled to a similar range of benefits. The amounts disclosed are based on the taxable value of providing those benefits.

The remuneration of the Group Chairman and other directors is shown below. Expenses reimbursed to members of the board were as follows:

	Group and Company	
	2015 £000	2014 £000
Expenses reimbursed to board members	**31**	32

	Group and Company	
	2015	2014
THE EMOLUMENTS OF THE BOARD MEMBERS, AND GROUP EXECUTIVE MANAGEMENT TEAM WERE AS FOLLOWS:		
NON EXECUTIVE DIRECTORS		
Angela Dupont	**19**	16
Mike Dobel	**–**	5
Jenefer Greenwood	**6**	–
Nick Hardie	**9**	6
Philip Hutt	**9**	6
Michael Jane	**9**	7
Andy Joss	**9**	7
Paul Love	**–**	–
Mark Rowan	**9**	–
Simon Sanger-Anderson	**4**	6
Andrew Wiles	**9**	6
	83	59
EXECUTIVE DIRECTORS		
Aggregate emoluments payable to directors (including benefits in kind)	**986**	970
Pension contributions in respect of services as directors	**62**	60
	1,048	1,030
Emoluments paid to the Group Chief Executive who was also the highest paid director	**182**	165

Salary banding for all employees earning over £60,000 (including salaries, performance related pay and benefits in kinds but excluding pension contributions paid by the employer and any termination payments) are:

BANDS

	Group		Company	
	2015	2014	**2015**	2014
£180,001 to £190,000	**1**	–	**1**	–
£160,001 to £170,000	**–**	1	**–**	1
£130,000 to £140,000	**2**	–	**2**	–
£110,001 to £120,000	**2**	3	**2**	3
£100,001 to £110,000	**1**	3	**1**	3
£90,001 to £100,000	**–**	1	**–**	1
£80,001 to £90,000	**4**	2	**4**	2
£70,001 to £80,000	**7**	8	**6**	7
£60,001 to £70,000	**10**	9	**10**	9

6 STAFF NUMBERS AND COSTS

	Group 2015	Group 2014	Company 2015	Company 2014
AVERAGE MONTHLY NUMBER OF EMPLOYEES:				
Housing and Support	**451**	443	**278**	270
Development	**47**	41	**47**	41
Asset Management	**236**	226	**236**	226
Central services	**111**	105	**111**	105
	845	815	**672**	642
AVERAGE MONTHLY NUMBER OF FULL TIME EQUIVALENT EMPLOYEES:				
Housing and Support	**411**	391	**248**	241
Development	**43**	37	**43**	37
Asset Management	**228**	220	**228**	220
Central services	**105**	100	**105**	100
	787	748	**624**	598

THE AGGREGATE PAYROLL COSTS OF THESE EMPLOYEES WAS AS FOLLOWS:	2015 £000	2014 £000	2015 £000	2014 £000
Wages and salaries	**21,991**	20,340	**18,551**	16,963
Social security costs	**1,791**	1,714	**1,531**	1,454
Other pension costs	**2,530**	2,145	**2,416**	2,041
	26,312	24,199	**22,498**	20,458

7 INTEREST RECEIVABLE AND OTHER INCOME

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Listed Investments	**462**	472	**462**	472
Bank and deposits	**124**	105	**202**	185
Intra-group loans	**–**	–	**117**	134
Loan to housing association	**6**	20	**6**	20
Other	**81**	83	**–**	–
	673	680	**787**	811

8 INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Intra-group loans	**–**	–	**9,965**	10,146
Bank loans and overdrafts	**12,881**	12,189	**2,916**	2,042
Other	**180**	172	**24**	17
Less: capitalised interest at 3.2% (2014: 3.3%)	**(1,118)**	(747)	**(1,118)**	(747)
	11,943	11,614	**11,787**	11,458

9 TAXATION

	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
UK CORPORATION TAX				
On surplus for the year at 20% (2014: 20%)	**1**	–	**–**	–
Adjustments in respect of prior periods	**2**	(3)	**–**	–
DEFERRED TAX				
Fixed asset timing differences	**8**	–	**–**	–
Short term timing differences	**(1)**	–	**–**	–
Losses carried forward	**19**	26	–	–
	29	23	**0**	0

The company has charitable status and its surpluses are exempt from corporation tax to the extent that they are applied for charitable purposes.

10 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Group					
	Social housing				Non-social housing	Total
	Complete schemes		Under construction			
	Rented £000	Shared ownership £000	Rented £000	Shared ownership £000	Rented £000	£000
COST						
At beginning of year	927,676	95,234	36,708	3,432	8,496	1,071,546
Additions in year	–	493	37,481	13,149	412	51,535
Revaluation	–	–	–	–	2,793	2,793
Transfers	2,356	–	(40)	–	(2,883)	(567)
Components capitalised	8,521	176	(629)	(176)	–	7,892
Non exchange transaction	55,152	466	–	–	963	56,581
Disposals	(2,116)	(2,225)	–	–	(412)	(4,753)
Transferred on completion	41,517	12,318	(41,889)	(12,318)	372	–
At end of year	**1,033,106**	**106,462**	**31,631**	**4,087**	**9,741**	**1,185,027**
DEPRECIATION						
At beginning of year	76,646	4,112	80	–	622	81,460
Charge for year	9,490	636	–	–	(375)	9,751
Disposals	(381)	(90)	–	–	–	(471)
Transfers	93	–	(40)	–	(215)	(162)
Non exchange transaction	2,856	29	–	–	141	3,026
At end of year	**88,704**	**4,687**	**40**	**–**	**173**	**93,604**
COST NET OF DEPRECIATION						
At 31 March 2015	**944,402**	**101,775**	**31,591**	**4,087**	**9,568**	**1,091,423**
At 31 March 2014	851,030	91,122	36,628	3,432	7,874	990,086
SHG AND OTHER PUBLIC SUBSIDY						
At beginning of year	391,874	36,644	7,312	1,250	1,065	438,145
Additions in year	240	–	7,514	3,576	–	11,330
Transferred from/(to) RCGF	(825)	(601)	–	–	–	(1,426)
Transferred on completion	11,700	3,159	(10,839)	(3,159)	(861)	–
At end of year	**402,989**	**39,202**	**3,987**	**1,667**	**204**	**448,049**
NET BOOK VALUE						
At 31 March 2015	**541,413**	**62,573**	**27,604**	**2,420**	**9,364**	**643,374**
At 31 March 2014	459,156	54,478	29,316	2,182	6,809	551,941

TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (CONTINUED)

	Company					
	Social housing				Non-social housing	Total
	Complete schemes		Under construction			
	Rented £000	Shared ownership £000	Rented £000	Shared ownership £000	Rented £000	£000
COST						
At beginning of year	904,850	96,617	31,754	3,546	8,477	1,045,244
Additions in year	–	493	37,338	13,149	–	50,980
Revaluation	–	–	–	–	2,793	2,793
Transfers	2,356	–	(40)	–	(2,883)	(567)
Components capitalised	8,521	176	(629)	(176)	–	7,892
Non exchange transaction	55,152	466	–	–	963	56,581
Disposals	(2,116)	(2,225)	–	–	–	(4,341)
Transferred on completion	41,517	12,318	(41,889)	(12,318)	372	–
At end of year	**1,010,280**	**107,845**	**26,534**	**4,201**	**9,722**	**1,158,582**
DEPRECIATION						
At beginning of year	74,622	4,214	80	–	626	79,542
Charge for year	9,200	651	–	–	(375)	9,476
Disposals	(381)	(90)	–	–	–	(471)
Transfers	93	–	(40)	–	(215)	(162)
Non exchange transaction	2,856	29	–	–	141	3,026
At end of year	**86,390**	**4,804**	**40**	**–**	**177**	**91,411**
COST NET OF DEPRECIATION						
At 31 March 2015	**923,890**	**103,041**	**26,494**	**4,201**	**9,545**	**1,067,171**
At 31 March 2014	830,228	92,403	31,674	3,546	7,851	965,702
SHG AND OTHER PUBLIC SUBSIDY						
At beginning of year	391,579	36,644	7,311	1,251	1,065	437,850
Additions in year	240	–	7,514	3,576	–	11,330
Transferred from/(to) RCGF	(825)	(601)	–	–	–	(1,426)
Transferred on completion	11,700	3,159	(10,839)	(3,159)	(861)	–
At end of year	**402,694**	**39,202**	**3,986**	**1,668**	**204**	**447,754**
NET BOOK VALUE						
At 31 March 2015	**521,196**	**63,839**	**22,508**	**2,533**	**9,341**	**619,417**
At 31 March 2014	438,649	55,759	24,363	2,295	6,786	527,852

TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (CONTINUED)

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
ADDITIONS TO HOUSING PROPERTIES IN THE COURSE OF CONSTRUCTION DURING THE YEAR INCLUDES:				
Capitalised interest at 3.2% (2014: 3.3%)	**1,118**	747	**1,118**	747
Direct development costs	**1,486**	1,462	**1,486**	1,462
THE NET BOOK VALUE OF THE PROPERTIES COMPRISES:				
Freehold	**618,310**	527,288	**594,353**	503,199
Long leasehold – under 50 years remaining	**604**	604	**604**	604
Long leasehold – over 50 years remaining	**24,460**	24,049	**24,460**	24,049
	643,374	551,941	**619,417**	**527,852**
WORKS TO EXISTING PROPERTIES:				
Revenue	**23,411**	22,291	**23,411**	22,291
CAPITALISED COMPONENTS INCLUDED IN THE NET BOOK VALUE OF PROPERTIES:				
COST				
At beginning of year	**92,326**		**92,326**	
Additions	**7,892**		**7,892**	
Disposals	**(375)**		**(375)**	
At end of year	**99,843**		**99,843**	
DEPRECIATION				
At beginning of year	**27,761**		**27,761**	
Additions	**3,934**		**3,934**	
Disposals	**(198)**		**(198)**	
At end of year	**31,497**		**31,497**	
Cost excluding component accounting adjustments	**1,085,184**		**1,058,739**	
Cost net of depreciation excluding component accounting adjustments	**1,023,077**		**998,825**	

11 OTHER TANGIBLE FIXED ASSETS

	Group				
	Freehold land and buildings £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
COST					
At beginning of year	8,734	2,971	3,557	1,581	16,843
Additions	–	206	800	1,471	2,477
Disposals	–	(94)	(217)	(80)	(391)
Non exchange transaction	683	122	404	–	1,209
Transfers	527	–	–	–	527
At end of year	**9,944**	**3,205**	**4,544**	**2,972**	**20,665**
DEPRECIATION					
At beginning of year	1,896	1,968	2,283	840	6,987
Charge for year	147	256	466	248	1,117
On disposals	–	(90)	(215)	(80)	(385)
Non exchange transaction	185	84	309	–	578
Transfers	121	–	–	–	121
At end of year	**2,349**	**2,218**	**2,843**	**1,008**	**8,418**
NET BOOK VALUE					
At 31 March 2015	**7,595**	**987**	**1,701**	**1,964**	**12,247**
At 31 March 2014	6,838	1,003	1,274	741	9,856

OTHER TANGIBLE FIXED ASSETS (CONTINUED)

	Company				
	Freehold land and buildings £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
COST					
At beginning of year	8,734	2,343	3,382	1,554	16,013
Additions	–	122	798	1,464	2,384
Disposals	–	(11)	(181)	(80)	(272)
Non exchange transaction	683	122	404	–	1,209
Transfers	527	–	–	–	527
At end of year	**9,944**	**2,576**	**4,403**	**2,938**	**19,861**
DEPRECIATION					
At beginning of year	1,896	1,514	2,127	814	6,351
Charge for year	147	204	457	246	1,054
On disposals	–	(8)	(181)	(80)	(269)
Non exchange transaction	185	84	309	–	578
Transfers	121	–	–	–	121
At end of year	**2,349**	**1,794**	**2,712**	**980**	**7,835**
NET BOOK VALUE					
At 31 March 2015	**7,595**	**782**	**1,691**	**1,958**	**12,026**
At 31 March 2014	6,838	829	1,255	740	9,662

	Group and Company	
	2015 £000	2014 £000
The net book value of properties comprises:		
Freehold	**5,748**	5,330
Long leasehold	**1,847**	1,508
	7,595	6,838

12 INVESTMENTS

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
INVESTMENTS IN SUBSIDIARIES:				
Shares	**–**	–	**2,574**	2,574
Intragroup Loan	**–**	–	**3,800**	3,763
Loan to other housing association	**78**	84	**78**	84
Interest in associate	**106**	115	**–**	–
	184	199	**6,452**	6,421

Intragroup loans consist of loans to 100% subsidiaries of Devon and Cornwall Housing Limited. Interest is payable on a variable rate basis and repayments are due in 2-5 years. There is no penalty for early repayment.

At 31 March 2015 one loan was outstanding from another housing association. The loan is repayable in equal instalments with final repayment in 2023. Interest is payable at a fixed rate.

INVESTMENTS (CONTINUED)

	Country of registrationor incorporation	Principal activity
DETAILS OF THE SUBSIDIARIES ARE AS FOLLOWS:		
The company has a controlling interest in the following subsidiaries:		
Devon and Cornwall Leasehold Solutions Limited	England	Property management services
Devon and Cornwall Treasury Limited	England	Group borrowing vehicle
Independent Futures CIC	England	Housing support services
Penwith Housing Association 2012 CIC	England	Dormant
Tor Homes 2012 CIC	England	Dormant
Westco Properties Limited	England	Property development and services
Penwith Housing Ancillary Services External Limited	England	Cost sharing group
Call24Hour Limited	England	24-hour telecare monitoring and response solutions
In addition:		
Advantage Southwest LLP is 25% owned by Westco Properties Limited	England	Procurement consortium

Following a strategic review, Call24Hour Limited was sold to Appello Limited on 1 June 2015.

13 PROPERTIES FOR SALE

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Properties developed for outright sale	**9,018**	7,842	**–**	–
Shared ownership properties – first tranche sales				
– completed units	**1,501**	2,016	**1,501**	2,016
– units in progress	**3,945**	4,902	**3,945**	4,902
	14,464	14,760	**5,446**	6,918

14 DEBTORS: DUE WITHIN ONE YEAR

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Rent and service charges receivable	**6,540**	5,249	**6,473**	5,176
Less: Provisions for bad and doubtful debts	**(1,486)**	(1,466)	**(1,467)**	(1,452)
	5,054	3,783	**5,006**	3,724
Service charges recoverable	**343**	404	**343**	404
Amounts owed by group companies	**–**	–	**504**	535
Other debtors	**939**	2,084	**309**	399
Social Housing Grant receivable	**3,096**	1,212	**3,096**	1,212
Corporation Tax receivable	**–**	2	**–**	–
Prepayments and accrued income	**1,814**	1,075	**4,056**	2,392
	11,246	8,560	**13,314**	8,666

15 INVESTMENTS (HELD AS CURRENT ASSETS)

	Group and Company	
	2015 £000	2014 £000
Listed investments at valuation	**14,926**	12,370

The movement represents a gilt revaluation of £2.8m and the disposal of a bond of £0.2m.

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Housing loans (see note 18)	**1,192**	1,092	**1,192**	1,092
Issue costs	**(78)**	(53)	**(78)**	(53)
Recycled Capital Grant Fund and Disposal Proceeds Fund (note 25)	**1,400**	1,188	**1,400**	1,188
Trade creditors	**2,876**	1,621	**2,826**	1,555
Rent and service charges received in advance	**7,737**	7,063	**7,737**	7,063
Contracts for capital works	**4,732**	3,137	**3,737**	2,876
Interest charges	**2,011**	1,606	**513**	129
Social Housing Grant received in advance	**2,097**	3,721	**2,097**	3,721
Amounts owed to group companies	**–**	–	**1,930**	1,614
Other taxation and social security	**527**	484	**444**	410
Corporation Tax	**1**	2	**–**	–
Other creditors	**1,315**	946	**1,147**	886
Gwen Joseph fund	**113**	108	**113**	108
Accruals and deferred income	**11,770**	11,665	**9,660**	8,583
	35,693	32,580	**32,718**	29,172

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and Company	
	2015 £000	2014 £000
Recycled Capital Grant Fund and Disposal Proceeds Fund (note 25)	**2,640**	1,908
Housing loans (note 18)	**376,768**	349,965
Issue costs	**(1,629)**	(966)
Premium on loan issues	**186**	22
	377,965	350,929

The premium arising on loan issues is amortised over the term of the loan to which it relates.

18 HOUSING LOANS

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
THE SOURCES OF LOAN FINANCE ARE AS FOLLOWS:				
Banks and building societies	**341,040**	341,307	**39,040**	24,307
Capital market issues	**33,435**	6,114	**33,435**	6,114
Intra group	**–**	–	**302,000**	317,000
Other	**3,485**	3,636	**3,485**	3,636
	377,960	351,057	**377,960**	351,057

	Group and Company	
	2015 £000	2014 £000
HOUSING LOAN FINANCE IS REPAYABLE AS FOLLOWS:		
In one year or less	**1,192**	1,092
Between one and two years	**1,271**	1,154
Between two and five years	**44,359**	18,863
In five years or more	**331,138**	329,948
	377,960	351,057

All loans are repayable by instalments. The final instalments fall to be paid in the period 2020 to 2043.

HOUSING LOANS ARE SECURED AS FOLLOWS:		
Fixed charges on properties	**377,960**	351,057
INTEREST RATE BASIS:		
Fixed less than 5 years	**94,177**	112,162
Fixed more than 5 years	**139,473**	94,722
Index linked	**56,070**	56,578
Variable	**88,240**	87,595
	377,960	351,057

In order to manage its interest rate profile the group holds inflation differential and fixed rate swaps. The interest basis including fixed rate and inflation differential swaps is shown above. The fixed rates of interest range from 1.155% to 12%. At 31 March 2015 swaps had a negative market value of £60.3m (2014: negative value £34.3m). The group's average cost of borrowing at 31 March 2015 was 3.45% (2014: 3.31%).

19 DEFERRED TAX

	Group
	2015 £000
At 1 April	**(6)**
Fixed asset timing differences	**8**
Short term timing differences	**(1)**
Losses carried forward	**19**
At 31 March	**20**

20 CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted, issued and fully paid shares of £1		
Balance at 1 April	**9**	10
Issued during year	**3**	1
Cancelled during year	**(3)**	(2)
Balance at 31 March	**9**	9

The share capital of the company consists of non-equity interest shares with a nominal value of £1 each which carry 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 share is cancelled and the amount paid up becomes the property of the company.

21 REVALUATION RESERVE

	Group and Company			
	2015			2014
	Investment £000	Property £000	Total £000	Investment £000
At 1 April	**2,225**	–	2,225	3,035
Movement in year	**2,738**	2,793	5,531	(810)
At 31 March	**4,963**	2,793	7,756	2,225

22 RESERVES

	Group and Company				Group	Company
	Designated reserves				Revenue reserves	
	Major repairs £000	Re-investment reserve £000	Other £000	Total £000	£000	£000
At 1 April	66,997	2,674	376	70,047	150,960	127,333
Movement in year:						
Contributions/surplus in year	2,763	–	–	2,763	60,755	60,914
Actuarial loss in year	–	–	–	–	(1,949)	(1,949)
Expenditure incurred	(9,615)	(214)	(102)	(9,931)	–	–
Transfer (from)/to reserves	(6,852)	(214)	(102)	(7,168)	7,168	7,168
					65,974	66,133
At 31 March	**60,145**	**2,460**	**274**	**62,879**	**216,934**	**193,466**

23 RECONCILIATION OF MOVEMENT IN TOTAL FUNDS

	Group 2015 £000	Company 2014 £000
Capital and reserves at 1 April	**223,232**	199,605
Surplus for the year	**60,755**	60,914
Unrealised surplus on current asset investments (Note 21)	**5,531**	5,531
Actuarial losses (Note 27)	**(1,949)**	(1,949)
Capital and reserves at 31 March	**287,569**	264,101

24 HOUSING STOCK

		Group			
		Units in management		Units under development	
		2015	2014	**2015**	2014
SOCIAL HOUSING – GROUP					
Owned and managed by the group:	Rented	**15,872**	14,158	**494**	669
	Shared ownership	**2,099**	1,969	**214**	261
	Sheltered	**2,383**	2,186	**–**	–
	Supported housing (bedspaces)	**338**	390	**–**	–
Managed by the group:	Rented	**10**	10	**–**	–
Owned by the group:	Supported housing (bedspaces)	**190**	221	**–**	–
		20,892	18,934	**708**	930
NON-SOCIAL HOUSING					
Owned and managed by the group:	Rented	**67**	69	**–**	–
Managed by the group:	Owner occupied	**1,553**	1,416	**–**	–
COMMERCIAL PROPERTIES					
Owned and managed by the group		**38**	31	**–**	–

		Company			
		Units in management		Units under development	
		2015	2014	**2015**	2014
SOCIAL HOUSING – COMPANY					
Owned and managed by the company:	Rented	**15,867**	14,112	**494**	669
	Shared ownership	**372**	374	**–**	–
	Sheltered	**2,383**	2,186	**–**	–
	Supported housing (bed spaces)	**338**	390	**–**	–
Owned by the company	Shared ownership	**1,727**	1,595	**214**	261
	Supported housing (bed spaces)	**190**	221	**–**	–
		20,877	18,878	**708**	930
NON-SOCIAL HOUSING					
Owned and managed by the company:	Rented	**34**	34	**–**	–
Managed by the company	Owner occupied	**319**	245	**–**	–
Owned by the company		**33**	35	**–**	–
COMMERCIAL PROPERTIES					
Owned and managed by the company:		**21**	20	**–**	–

25 RECYCLED CAPITAL GRANT FUND (RCGF) AND DISPOSAL PROCEEDS FUND (DPF)

	Group and Company	
	RCGF £000	DPF £000
Balance at 1 April	2,942	154
INPUTS TO RESERVE:		
Grants recycled	1,374	248
Homebuy grants	128	–
Interest accrued	18	–
WITHDRAWALS FROM RESERVE:		
New build	(822)	(2)
Balance at 31 March	**3,640**	**400**

26 FINANCIAL COMMITMENTS

		Group and Company	
		2015 £000	2014 £000
CAPITAL COMMITMENTS FOR WHICH NO PROVISION HAS BEEN MADE:			
- Housing properties	Contracted	**37,665**	33,024
- Housing properties	Approved not contracted	**111,217**	146,140
- Housing properties – components	Approved not contracted	**9,901**	8,672

The capital commitments will be financed primarily by existing loan finance facilities and some grant funding.

ANNUAL COMMITMENT UNDER OPERATING LEASE:		
Land and Buildings – lease expiring 1-2 years	**24**	44

27 PENSION SCHEMES

As explained in the accounting policies set out in note 1 the group operates five separate pension schemes. The assets of the schemes are held separately from those of the group.

THE SOCIAL HOUSING PENSION SCHEME

The Trustee of the Scheme commissions an actuarial valuation of the scheme every three years. The main purpose of the valuation is to determine the financial position of the scheme in order to determine the level of future contributions required so that the scheme can meet its pension obligations as they fall due.

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

The group and company paid contributions at the rate of 7% on the CARE structure during the accounting period. Member contributions varied between 2.7% and 11.5%, depending on their age. For the defined contribution scheme the company pay contributions between 2% and 9% and employees pay contributions from 1%.

As at the balance sheet date the number of active members and the annual pensionable payroll was:

	Group	Company
Active members	707	557
Pensionable pay (£000)	18,809	15,732

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

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

The scheme actuary is currently finalising the 2014 valuation, but key provisional results have been confirmed. As at 30 September 2014, the market value of the scheme's assets was £3,123m. There was a shortfall of assets compared with the value of liabilities of £1,323m, equivalent to a past service funding level of 70%.

Value as at 30 September 2014 provisional valuation:

	£m
Assets	4,446
Liabilities	(3,123)
Net pension liability	**(1,323)**

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

Valuation discount rates	% pa
– pre-retirement	7.0
– non pensioner post retirement	4.2
– pensioner post retirement	4.2
– pensionable earnings growth	2.5 – 4.4
– price inflation	2.9
– pension increases	
– pre 88 GMP	0.0
– post 88 GMP	2.0
– excess over GMP	2.4

The group and company have been notified by the Pensions Trust that the estimated employer debt on withdrawal from the Social Housing Pension Scheme and Growth Plan Scheme based on the financial position of the scheme as at 30 September 2014 was:

	Group and Company £000
Social Housing Pension Scheme	72,840
Growth Plan Scheme	170

DEFINED BENEFIT SCHEME – CORNWALL COUNCIL PENSION FUND

DCH participates in this fund as an admitted body under the Local Government Superannuation Regulations 1986.

The Local Government Superannuation Scheme is funded jointly by employees participating in the scheme and DCH. The scheme is a defined benefit salary scheme based on final pensionable salary and is closed to new entrants. The scheme is administered by Cornwall Council.

During the financial year contributions were paid at 22.6%. The pension costs for the year were £263,000 (2014: £211,000) covering 13 employees (2014: 14). Contributions for the year ending 31 March 2016 are estimated to be £257,000.

The most recent valuation was carried out as at 31 March 2013 and has been updated by independent actuaries to the Cornwall Council Pension Fund to take account of the requirements of FRS17 in order to assess the liabilities of the Fund as at 31 March 2015. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

DEFINED BENEFIT SCHEME – DEVON COUNTY COUNCIL PENSION FUND

DCH participates in this fund as an admitted body under the Local Government Superannuation Regulations 1986.

The Local Government Superannuation Scheme is funded jointly by employees participating in the scheme and DCH. The scheme is a defined benefit salary scheme based on final pensionable salary and is closed to new entrants. The scheme is administered by Devon County Council.

During the financial year contributions were paid at 18.8%. The pension costs for the year were £94,000 (2014: £147,000) covering 13 employees (2014: 17). Contributions for the year ending 31 March 2015 are estimated to be £76,000.

West Devon Homes amalgamated with DCH in March 2015. During the financial year contributions were paid at 19%. The pension costs for the year were £47,000 (2014: £35,000) covering 3 employees (2014: 3). Contributions for the year ending 31 March 2015 are estimated to be £48,000.

The most recent valuation was carried out as at 31 March 2013 and has been updated by independent actuaries to the Devon Council Pension Fund to take account of the requirements of FRS17 in order to assess the liabilities of the Fund as at 31 March 2015. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

FINANCIAL ASSUMPTIONS

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the time scale covered, may not necessarily be borne out in practice.

The main financial assumptions for the Cornwall Council and Devon Council Pension Funds in respect of the FRS17 valuation are listed below.

	Cornwall Council		Devon Council	
	31 March 2015 %	31 March 2014 %	**31 March 2015 %**	31 March 2014 %
Discount rate	**3.2**	4.3	**3.3**	4.4
Rate of increase in salaries	**4.3**	4.6	**4.2**	4.6
Rate of increase in pensions	**2.4**	2.8	**2.4**	2.8
Rate of inflation	**2.4**	2.8	**3.2**	3.6

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at 65 are:

MORTALITY ASSUMPTIONS

	Cornwall Council		Devon Council	
	31 March 2015	31 March 2014	**31 March 2015**	31 March 2014
Longevity at age 65 for current pensioners				
- Males	**22.2**	22.2	**22.8**	22.7
- Females	**24.4**	24.4	**26.1**	26.0
Longevity at age 65 for future pensioners				
- Males	**24.2**	24.4	**25.1**	24.9
- Females	**26.8**	26.8	**28.4**	28.3

	Cornwall Council		Devon Council	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
ACTUARIAL LOSSES				
Cumulative actuarial losses in the statement of recognised gains and losses	**(3,195)**	(2,235)	**(2,772)**	(1,784)
ACTUAL RETURN ON ASSETS				
Expected return on assets	**290**	281	**386**	324
Actuarial gains/(losses)	**86**	(751)	**274**	(30)
Actual return on assets	**376**	(470)	**660**	294
ANALYSIS OF THE AMOUNT CHARGED TO THE INCOME AND EXPENDITURE ACCOUNT				
Current service cost	**112**	107	**138**	160
Past service cost	**0**	0	**0**	0
Total operating charge	**112**	107	**138**	160
Expected return on assets	**290**	281	**386**	324
Interest on pension liabilities	**(346)**	(350)	**(445)**	(410)
Other financial costs	**(56)**	(69)	**(59)**	(86)
MOVEMENT IN THE FAIR VALUE OF ASSETS AND PRESENT VALUE OF LIABILITIES FOR THE YEAR TO 31 MARCH 2014:				
FAIR VALUE OF ASSETS				
At beginning of the year	**5,176**	5,596	**6,658**	7,104
Scheme crystallization	**0**	0	**0**	(656)
Expected return on assets	**290**	281	**386**	324
Transferred assets	**0**	0	**1,864**	0
Actuarial gains/(losses)	**86**	(751)	**274**	(30)
Employer contributions	**263**	211	**191**	147
Employee contributions	**28**	26	**40**	38
Net benefits paid out	**(308)**	(187)	**(469)**	(269)
At end of the year	**5,535**	5,176	**8,944**	6,658
PRESENT VALUE OF LIABILITIES				
At beginning of the year	**8,138**	7,804	**10,232**	10,631
Scheme crystallization	**0**	0	**0**	(770)
Current service cost	**112**	107	**138**	160
Loss on curtailments	**0**	0	**86**	0
Transferred assets	**0**	0	**3,544**	0
Interest cost	**346**	350	**445**	410
Contributions by participants	**28**	26	**40**	38
Actuarial losses	**1,047**	38	**1,262**	32
Net benefits paid out	**(308)**	(187)	**(469)**	(269)
At end of the year	**9,363**	8,138	**15,278**	10,232

The fair value of the assets held by the pension funds at 31 March 2015, and the expected rate of return for each class of asset is as follows:

TYPE	Cornwall Council				Devon Council			
	2015		2014		2015		2014	
	Long Term Return %	Fund value £000	Long Term Return %	Fund Value £000	Long Term Return %	Fund value £000	Long Term Return %	Fund Value £000
Equities	**3.2**	**2,491**	6.5	3,312	**3.3**	**5,301**	6.6	3,995
Gov't bonds	**3.2**	**0**	0.0	0	**3.3**	**549**	3.6	466
Bonds	**3.2**	**2,601**	3.8	1,449	**3.3**	**303**	4.2	333
Property	**3.2**	**332**	4.8	311	**3.3**	**916**	4.6	599
Other	**3.2**	**111**	3.7	104	**3.3**	**1,875**	4.2	1,265
TOTAL		**5,535**		5,176		**8,944**		6,658

FUNDING POSITION

	Cornwall Council		Devon Council	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Assets	**5,535**	5,176	**8,944**	6,658
Estimated liabilities	**(9,363)**	(8,138)	**(15,278)**	(10,232)
Deficit in scheme	**(3,828)**	(2,962)	**(6,334)**	(3,574)

AMOUNTS FOR CURRENT AND PREVIOUS FOUR YEARS

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
CORNWALL COUNCIL					
Defined benefit obligation	**(9,363)**	(8,138)	(7,804)	(6,772)	(6,208)
Plan assets	**5,535**	5,176	5,596	4,922	4,867
Deficit	**(3,828)**	(2,962)	(2,208)	(1,850)	(1,341)
Experience adjustments on plan assets	**86**	(751)	418	(229)	(588)
Experience adjustments on plan liabilities	**67**	380	10	(77)	1,247
Total amount recognised in the statement of total recognised gains and losses	**(961)**	(789)	(404)	(579)	1,805
DEVON COUNCIL					
Defined benefit obligation	**(15,278)**	(10,232)	(10,631)	(9,494)	(8,029)
Plan assets	**8,944**	6,658	7,104	6,367	6,159
Deficit	**(6,334)**	(3,574)	(3,527)	(3,127)	(1,870)
Experience adjustments on plan assets	**346**	(30)	(1)	(199)	(83)
Experience adjustments on plan liabilities	**(1)**	(22)	450	30	254
Total amount recognised in the statement of total recognised gains and losses	**(1,354)**	(62)	247	(1,247)	1,581

DEFINED CONTRIBUTION SCHEME – SOCIAL HOUSING PENSION SCHEME

This scheme administered by the Pensions Trust is the occupational pension scheme of choice for Call24Hour Limited (Call24). All staff employed by Call24 after 1 December 2002 are eligible to join this scheme. Participating employees have the option of contributing to a growth plan or a unitised ethical plan. The company pay contributions between 2% and 9% and employees pay contributions from 1%. The pension cost charge for the period represents contributions payable by the group to the fund and amounted to £13,000. On retirement, funds or units earned can be converted into a pension with the Trust, or used to secure a pension with another provider. At 31 March 2015 there were 27 active members (2014: 7) of the scheme.

28 RELATED PARTIES

All trading transactions between DCH and its non-regulated subsidiaries are charged at the cost of providing the service between the subsidiaries. Recharges are determined by an appropriate allocation depending on the nature of the cost, such as headcount, floor space and services.

	Transactions in year		Balance at year end		Nature of supply
	Income £000	Expenditure £000	Debtor £000	Creditor £000	
Call24 from DCH	195	0	6	20	Alarm monitoring
DCH from Call24	0	195	20	6	
DCT from DCH	41	0	302,006	0	Treasury services
DCH from DCT	0	41	0	302,006	
Westco from DCH	19,088	0	0	3,781	Development services
DCH from Westco	0	19,088	3,781	0	
DCLS from DCH	296	0	20	0	Scheme management
DCH from DCLS	0	296	0	20	
PHASE from DCH	137	0	423	415	Maintenance services
DCH from PHASE	0	137	415	423	
IF from DCH	740	0	3	5	Support services
DCH from IF	0	740	5	3	

29 AMALGAMATION WITH WEST DEVON HOMES LIMITED

On 25 March 2015, West Devon Homes Limited (WDH) joined the DCH Group. This has been treated as a non-exchange transaction under the Social Housing SORP with the assets and liabilities of West Devon Homes becoming amalgamated with the assets and liabilities of DCH.

The Income and Expenditure Account of WDH from 1 April 2014 to 25 March 2015 is shown below:

	£000
TURNOVER	7,239
Operating costs	(4,571)
Operating surplus	**2,668**
Surplus on the sale of fixed assets	437
Interest receivable	19
Interest payable	(877)
Surplus for the year	**2,247**

The balance sheet of West Devon Homes as at 25 March 2015 is shown below and reflects an accounting adjustment to fair value the properties which had previously been held at historical cost.

	Historical cost £000	Fair value adjustment £000	Amalgamated £000
FIXED ASSETS			
Housing properties – Cost net of depreciation	40,619	12,936	53,555
Housing properties – SHG	(10,618)	(10,618)	-
Tangible fixed assets	631	–	631
Investments	5	(5)	-
	30,637	**23,549**	**54,186**
CURRENT ASSETS			
Trade & other debtors	448	–	448
Cash	547	–	547
Less: Creditors: amounts falling due within one year	(1,360)	–	(1,360)
Net current liabilities	**(364)**	–	**(364)**
Total assets less current liabilities	**30,273**	**23,549**	**53,822**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(15,000)	–	(15,000)
PROVISIONS FOR LIABILITIES			
Pension provision	(1,680)	–	(1,680)
Total net Assets	**13,592**	**23,549**	**37,141**

Tregea Close in Portreath is situated near Cornwall's picturesque Tehidy Country Park and provides 40 new homes.

11 Companies within the group, board members, executives and advisers

Each year we invest all of our surplus from the sales of our open market homes to support the development of affordable homes across the south west.

Companies within the group, board members, executives and advisers

Companies within the group

As at 31 March 2015 DCH had eight direct subsidiaries and one associated company which have been consolidated as required under Financial Reporting Standard 2 (FRS 2). Call24 was sold on 1 June 2015 to Appello Limited. Details of these companies and their roles within the group are shown below. With the exception of Call24 all companies trade under the single identity of DCH.

Company	Role in the group
Penwith Housing Association 2012 CIC (Cornwall CIC) Tor Homes 2012 CIC (Devon CIC)	Our two community interest companies in Cornwall and Devon, respectively, are governed by a combined board, providing governance oversight of our operational service delivery in respect of housing and asset management and of the delivery of the DCH community investment strategy.
Independent Futures CIC (i-Futures)	Brings together all our services focused on supporting people to live independent lives including general support, services for older people and services for younger people.
Westco Properties Limited (Westco)	Our open-market development arm. All profit made is returned to DCH in the form of Gift Aid, facilitating substantial investment for affordable homes in the region.
Devon and Cornwall Treasury Limited (DCT)	Our group treasury vehicle, responsible for £405m of the group's borrowing facilities.
Devon and Cornwall Leasehold Solutions Limited (DCLS)	Management of over 3,024 shared ownership and leasehold properties (including private retirement schemes).
Call24Hour Limited (Call24)	Provides a 24 hour, 7 days a week call response service to over 9,000 customers. This company was sold on 1 June 2015 (see note 12).
Penwith Housing Ancillary Services External Limited (PHASE)	Prior to amalgamation this was our VAT cost sharing exemption vehicle. Post amalgamation the company will be dormant.
Advantage SW LLP (ASW)	Our procurement consortium jointly owned by Westco and three other registered providers.

Board members

Angela Dupont	**Group Chairman**
Paul Crawford	**Group Chief Executive**
Melvyn Garrett	**Group Director of Finance**
Jenefer Greenwood	(appointed 1 August 2014)
Nick Hardie	**Senior Independent Director**
Phil Hutt	(resigned 11 May 2015)
Mike Jane	
Andy Joss	
Paul Love	(appointed 25 March 2015)
Mark Rowan	(appointed 16 April 2014)
Simon Sanger-Anderson	(retired 30 September 2014)
Andrew Wiles	
Tim Larner	(appointed 1 July 2015)
Laurence Clarke	(appointed 1 July 2015)

Executive Management team

Group Chief Executive	**Paul Crawford**
Group Director of Finance	**Melvyn Garrett**
Group Director of Asset Management	**Doug Stein**
Group Director of Development	**Richard Connolly** (resigned 12 September 2014)
Group Director of Housing and Communities	**Sue Coulson**
Group Director of Human Resources and Communications	**Sheila Whelan**
Group Director of Strategy and Performance	**Tom Woodman** (appointed 5 September 2014)
Group Business Director	**Dana Levy** (resigned 4 November 2014)
Chief Executive of Housing Services	**Andy Moore** (retired 30 April 2014)

Secretary:	Jill Farrar
Registered office:	72 Paris Street, Exeter, EX1 2JZ
Company registration number:	7096
Homes and Communities registration:	4818
Auditors:	KPMG LLP, Plym House, 3 Longbridge Road, Plymouth PL6 8LT
Treasury advisers:	Centrus Advisers LLP, 3rd Floor, Mermaid House, 2 Puddle Dock, London EC4V 3DB

Fast facts about DCH

- 22,550 homes, including rent, leasehold and shared ownership
- turnover of £117m for 2014/15, generating a surplus of £24m for reinvesting in services and homes
- one of the region's largest housing developers building over 630 homes in 2014/15
- a significant development pipeline over the next 5 years across all tenures, including rent, shared ownership and open market sale
- largest housing organisation operating solely in the south west, with high-quality homes and services across Cornwall and Devon, and expanding into new areas
- over 900 skilled and committed employees, living our values and making our strategy happen.

DCH Head Office
72 Paris Street, Exeter EX1 2JZ

www.dchgroup.com