

Windsor & District Housing Association Limited

Financial Statements

For the year ended

31 March 2009



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Board of Management Report

The Board of Management is pleased to present its report and the audited financial statements for the Association for the year ended 31 March 2009.

Principal Activities

Windsor & District Housing Association Limited is a not for profit organisation administered by a voluntary Board of Management. It is an Industrial & Provident Society and is registered with the Tenant Services Authority as a registered provider.

The Association's principal activity is to invest in affordable housing and housing services.

The Association owns and manages 4,550 properties (2008: 4,540) in Berkshire, Buckinghamshire, and Surrey. 80% of the homes are general needs, rented accommodation, predominantly for families. It employs 40 people (2008: 85 people) and has tangible fixed assets with a net book value of £263 million (2008: £238m).

Review of 2008/09

Over the year 2008/09, 46 new properties were handed over to Windsor Housing in 4 local authority areas. This included the redevelopment of a site (Shaw Court) which had originally been a designated scheme for older people.

In addition, 18 general needs family houses were built on the prestigious Peacock Farm site in Bracknell.

The Association continues to have a high level of demand for quality affordable housing in particular larger family units. Its significant development programme is funded through grant allocations and borrowing which is raised at fixed rates of interest.

During the year, Windsor Housing had its Charter Mark Accreditation assessment. The results confirmed the Association's compliance with Charter Mark and three areas of its operations were awarded Best Practice Status. The Association also continues to receive favourable audit reports from QHS (Quality Housing Standard), the accreditation process originally designed by residents of affordable housing.

Central to Windsor Housing's success is its relationship with all its customers and throughout the year the Association has built on and refined the methods used to involve them. The first Continuous Improvement Group was set up for Leaseholders with membership entirely of leaseholders. In addition there is a Business Focus group whose membership is made up of a cross section of Windsor Housing customers. This group looks in some depth at the operations of the Association and monitors its performance.

During the year the Association recruited a full time dedicated Customer Benefits Advisor, the role of whom is to ensure all residents have the opportunity to receive individual advice on maximising income and managing debt.

The Association is a subsidiary of Radian Group Limited, a company limited by Guarantee and a Registered Provider.

Financial Review

The Association generated a surplus after tax of £1,021,000 (2008: £2,863,000). The balance sheet reflects the continued growth of the Association, with the investment in fixed assets and long term investments rising to over £317 million (2008: £285m), funded by £152 million reserves (2008: £136m), £52 million (2008: £49m) grant and other public subsidy and £107 million loans (2008: £100m).



The Board of Management Report - continued

Financial Review - continued

The Association does not use stand-alone hedging instruments.

The Association increased the number of homes it owned and managed by 10 compared with 174 during 2007/08.

Our continued investment in properties means that 92.6% of our homes have now achieved Decent Homes standards required by 2010. In the year we installed 225 new kitchens and bathrooms (2008: 152). In addition we re-roofed 396 properties (2008: 43).

In preparing these Financial statements changes arising from the implementation of the "Statement of Recommended Practice –Accounting by Registered Social Landlords 2008, have meant adjustments were needed to the prior years accounts, these adjustments are specified in note 14 to the accounts.

Future Developments

The Association has available to it just under £6 million (2008: £5 million) of future grant funding and it anticipates borrowing a further £10.5 million (2008: £6.5 million) to complete developments which it has committed the Homes & Communities Agency to procure over the next four years. The Association will deliver 140 new homes from this programme.

It currently has available borrowing facilities of £23.5 million (2008: £30 million) to facilitate this. It is confident of raising the additional funding required to complete this programme.

The Board of Management

The Board of Management consists of non-executive members and is responsible for managing the affairs of the Association. Members are drawn from a wide background bringing together professional, commercial and local experience, including resident members.

The Board of Management at 31 March 2009 was as follows:-

- Peter Coleman, Chair
- David Kirk, Vice Chair
- Rae Addison
- Susan Bews
- Cllr John Lenton
- David Malia
- Fiona Winrow

Internal Control

The Board acknowledges its ultimate responsibility for establishing and maintaining the whole system of internal controls that is appropriate to the various business environments in which it operates and for reviewing effectiveness of those controls. This applies to all companies and subsidiaries within Radian Group. These controls are designed to give reasonable assurance in respect of:

- The reliability of financial and operational information used within the Group or for publication;



- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposal.

The Board of Management - continued

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

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls that are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed as incorporated in the Housing Corporation's "Circular 07/07 – Internal Controls Assurance".

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

- **Identification and evaluation of key risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review in each area of the Group's activities. The process is co-ordinated through a regular reporting framework by the Group Audit

Committee. The Executive Team regularly considers reports on significant risks facing the Group and the Director of Corporate Services reports to the Board any significant changes affecting key risks.

- **Monitoring and corrective action**

A process of control self-assessment (within one subsidiary) along with regular management reporting on control issues (throughout the Group) provides assurance to successive levels of management and to the Board. This includes a formal procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- **Control environment and control procedures**

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Board has adopted the "Code of Governance Competence and Accountability 2004" and complies in all areas but one where we allow some Members to remain on Boards beyond three terms of three years. The Standing Orders set out the Group's policies with regard to the quality, integrity and ethics of its employees and Board Members. A framework of policies and procedures with which employees must comply support these. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection. Annual employee appraisal procedures maintain standards of performance.

- **Information and financial reporting systems**

Forecasts and budgets are prepared which allow the Board and Management to monitor the key financial objectives and progress towards achieving financial plans set for the year and the medium term. Regular management accounts and key performance indicators are prepared, providing reliable and up-to-date financial and other information with significant variances investigated and reported as appropriate.

- **New Business**

All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, either through the Executive Appraisal Panel, the New Business Committee or the Board.



- **Group Audit Committee**

The Group Audit Committee reviews reports from Management, internal auditors and external auditors to provide reasonable assurance that the control procedures are in place and are being followed. This includes a regular review of the major risks facing the Group. The Group Audit Committee makes regular reports to the Board.

The Board of Management - continued

- **Fraud**

Radian is developing a Group approach to fraud prevention following recommendations from the internal auditors. A Group Anti-Fraud and Policy will be adopted covering prevention, detection and reporting of fraud and the recovery of assets. A Group Whistleblowing policy has been approved and adopted.

The internal control framework and the risk management process are subject to regular review by Internal Auditors who are responsible for providing independent assurance to the Board via the Group Audit Committee. The Internal Auditors have confirmed that for the 12 months ended 31 March 2009, Radian has adequate and effective control and governance processes to manage the achievement of the Group's objectives. The Group Audit Committee considers control and risk at each of its meetings during the year.

- **Going Concern**

In its consideration of going concern, the Board has reviewed the Association's expected income and expenditure performance in terms of profitability and cash flow, together with an appraisal of the effects of its development programme. On the basis that these projections are based on prudent data and realistic assumptions the Board believes that it is appropriate to prepare the Association's financial statements on a going concern basis.

The Association's budget and business plan, taking account of the current economic climate and expected trading conditions, show that Windsor should be able to operate within its current facilities and comply with its banking covenants.

In determining that Windsor is a going concern, the Board has considered the uncertainties posed by current economic conditions and determined that they do not currently represent a significant risk to the Association.

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

Objectives

The Group Audit Committee considers control and risk at each of its meetings during the year.

The Board (as well as the Group Audit Committee and subsidiary Boards) has conducted its annual review of the effectiveness of the system of internal controls and has taken account of any changes needed to maintain the effectiveness of the risk management and controls process.

The Board confirms that a process of integrating the risk policies of the Group parent and its subsidiaries is at a sufficiently advanced stage for the Group's Internal Auditors to have given assurance to the Group Audit Committee and the Board.

Statement of Disclosure to Auditors

Each of the persons who is a Board member at the date of approval confirms that:

- a) so far as the Board members are aware, there is no relevant audit information of which the Society's auditors are unaware; and
- b) they have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

The Board of Management - continued

Auditors

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP.

A resolution to re-appoint Deloitte LLP as the Group's auditors will be proposed at the Annual General Meeting.

By order of the Board of Management

Peter Coleman
Chair
15 July 2009

Statement of Board Members' Responsibilities in Respect of the Financial Statements

The Board Members are responsible for preparing the financial statements in accordance with applicable law and regulations.

Housing association legislation requires the Board Members to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing these financial statements, the Board Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Industrial & Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Board of Management's Report is prepared in accordance with the Statement of Recommended Practice 'Accounting by Registered Social Landlords 2008'.

The Board members are responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors Report to the Shareholders of Windsor & District Housing Association Limited

We have audited the financial statements of Windsor & District Housing Association Limited for the year ended 31 March 2009 which comprise the Income and Expenditure Account, the Statement of Total Recognised Surpluses and Deficits, the Note of Historic Cost Surpluses and Deficits, the Balance Sheet and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Board of Management and Auditors

The Board members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Board Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Association has not kept proper accounting records, if a satisfactory system of control over transactions has not been maintained or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors Report to the Shareholders of Windsor & District Housing Association Limited - continued

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 March 2009 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006; and.
- the information given in the Board of Management's Report is consistent with the financial statements.

Deloitte LLP
Chartered Accountants and Registered Auditors
Southampton, United Kingdom

Income and Expenditure Account

Year ended 31 March 2009

	Notes	2008/09 £'000	2007/08 £'000 As restated (see note 14)
Turnover	2	21,570	22,304
Cost of sales	2	(84)	(977)
Operating costs	2	(15,416)	(11,861)
Operating Surplus		6,070	9,466
Surplus from sale of housing properties	2	2,619	3,351
Interest receivable and similar income	3	60	108
Interest payable and similar charges	4	(5,169)	(5,574)
Other finance (costs) / Income	4	44	19
Surplus on Ordinary Activities before taxation	5	3,624	7,370
Gift Aid	6	(2,500)	(4,400)
Tax on surplus on ordinary activities	7	(103)	(107)
Surplus on Ordinary Activities for the year		1,021	2,863

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The Notes on pages 14 to 35 form part of these financial statements.

The movement on accumulated reserves is set out in Note 19 to the financial statements.

Year ended 31 March 2009

Statement of total recognised surpluses and deficits

		2008/09	2007/08
	Notes	£'000	£'000
Surplus for the financial year		1,021	3,841
Unrealised surplus on the property revaluation	10	16,262	21,335
Actuarial loss on pension schemes	20	(770)	(16)
Deferred tax on actuarial loss		-	(299)
		16,513	24,861
Prior year adjustment		146	-
Total Gains and Losses recognised since last annual report and financial statements		16,659	24,861

Note of Historical Cost Surpluses and Deficits

		2008/09	2007/08
		£'000	£'000
Reported surplus on ordinary activities before taxation		1,124	3,948
Realisation of property revaluation gains		591	671
Excess of actual depreciation charge over historical cost depreciation		280	393
Historic cost surplus on ordinary activities before taxation		1,995	5,012
Tax on surplus on ordinary activities		(103)	(107)
Historic cost surplus on ordinary activities after taxation		1,789	4,905



Windsor Housing

Balance Sheet

Year ended 31 March 2009

	Notes	2008/09 £'000	2007/08 £'000 As restated (see note 14)
Fixed Assets			
Housing properties at valuation	10	259,371	236,364
Other fixed assets	10	3,427	1,144
Total fixed assets		262,798	237,508
Current Assets			
Properties held for sale	11	-	146
Debtors	12	6,110	14,362
Cash at bank and in hand	13	2,398	1,329
		8,508	15,837
Creditors: Amounts falling due within one year	15	(19,633)	(31,668)
Net current liabilities		(11,125)	(15,831)
Total assets less current liabilities		251,673	221,677
Pension liability	20	1,834	997
Creditors: Amounts falling due after more than one year	16	97,500	85,000
Capital & Reserves			
Called up share capital	18	-	-
Revaluation reserve	19	137,521	122,290
Revenue reserve	19	14,818	13,390
		251,673	221,677

The Notes on pages 14 to 35 from part of these financial statements.

The financial statements on pages 11 to 35 were approved by the Board and authorised for issue on 15 July 2009. They were signed on its behalf by:

P COLEMAN
CHAIR

D KIRK
VICE CHAIR

T. WALKER
SECRETARY

Notes to the Financial Statements

Note 1 - Accounting Policies

Legal Status

The Association is registered under the Industrial & Provident Societies Act 1965 and is registered with the Tenant Services Authority as a Registered Provider.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting by Registered Social Landlords 2008, in accordance with the Accounting Requirement for Registered Social Landlords General Determination 2006 and the Industrial & Provident Societies Acts 1965 to 2002. This is the first year for which the 2008 SORP has been adopted, and a prior year adjustment has been reflected in these financial statements, as discussed in Note 14.

Under Financial Reporting Standard 1, Windsor & District Housing Association Limited is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Association in its own consolidated financial statements.

As Windsor & District Housing Association Limited is a wholly owned subsidiary of Radian Group Limited, it has taken advantage of the exemption contained in FRS8 and therefore has not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of Radian Group Limited, within which this Association is included, can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Turnover

Turnover represents rental income receivable, and fees for development agency activities, income from the sale of properties (other than sales under the 'Right to Buy' legislation and staircasing of shared ownership properties) and other services at invoiced value, excluding VAT.

Deferred Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Except as noted below, full provision for deferred taxation is made under the incremental liability method on all timing differences that have arisen, but not reversed by the balance sheet date. In accordance with FRS19, deferred tax is not provided for gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over. Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Value Added Tax

The Association is VAT registered, but a large proportion of its income, namely rent, is exempt for VAT purposes and thus gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is shown in the income and expenditure account.

Pre-contract Costs

Costs incurred in bidding for and securing contracts for the supply of products and services under the Private Finance Initiative (PFI) are recognised as expenses as incurred up to the date of announcement of preferred bidder. Where the Association is successful in attaining preferred bidder status, those costs that are incurred after obtaining preferred bidder status and are directly attributable to the contract are recognised as an asset.

Notes to the Financial Statements – continued

Note 1 - Accounting Policies - continued

Pensions

The Association participates in the industry-wide, multi-employer “Social Housing Pension Scheme” (“SHPS”) and the pension scheme operated by the Royal County of Berkshire Pension Fund. Both are defined benefit pension schemes, and retirement benefits to employees of the Association are funded by contributions from the employers and employees participating in the schemes. The assets of both schemes are held separately from those of the Association.

The Association is unable to identify its share of the underlying assets and liabilities of the SHPS scheme on a consistent and reasonable basis and therefore, as required by FRS17 ‘Retirement Benefits’, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Royal County of Berkshire Pension Fund 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 charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Major Repairs

It is the policy of the Association to expense major repair works in the accounting period in which they arise where these are deemed not to add value to its housing properties. For this purpose, value added means that the Association can expect an additional net income stream following the completion of repairs such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property.

Basis of Housing Properties Valuation

Housing properties owned by the Association in the course of its business were valued independently as at 31 March 2009 on the basis of Existing Use Value for Social Housing. These valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors’ Appraisal and Valuation Manual. In determining this valuation, the valuers made use of discounted cash flow methodology and the key assumptions made concerned the level of future rents, the rate of turnover of existing tenants, the level of sales and the discount rate.

The assumed real discount rate was 5.5% per annum for rental income receivable. The valuation was carried out by Drivers Jonas, 85 King William Street, London EC4R 9DU.

Properties for Sale

Completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal. Unsold properties are classified as current assets in the balance sheet

Notes to the Financial Statements - continued

Note 1 - Accounting Policies - continued

Social Housing Grant

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

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

Depreciation

(i) Freehold Housing Land and Buildings

The Association maintains its housing stock in accordance with a planned programme of works and in a good state of repair. Depreciation at a rate of 1% has been charged on the net investment in housing properties, less the cost and SHG attributable to land, which is not depreciated.

(ii) Other Fixed Assets Depreciation is charged on straight line basis over the expected useful lives of the assets at the following annual rates:

Leasehold /Office Improvements	Term of lease
Office/Scheme Fixtures & Fittings	5 years
Computer Equipment	3-5 years
Vehicles	4 years

Leased Assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a liability.

The interest element of rental obligations is charged to the income and expenditure account over the period of the lease in proportion to the balance of capital repayments outstanding.

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

Apportionment of Management Expenses

Direct employee, administration and operation costs have been apportioned to the income and expenditure account as operating costs, on the basis of costs of the staff directly engaged on the operations dealt with in these financial statements.

Capitalisation of Interest

No interest on the financing of developments is capitalised.

Financing Costs

Finance costs comprising loan interest and discounts and premiums on loan issues are allocated to accounting periods and charged to the income and expenditure account, over the life of the related debt. The fees and other costs incurred in raising the finance are charged to the income and expenditure account as they are incurred.

Revaluation Reserve



The difference between the valuation of housing properties and the historical cost carrying value (net of capital grants and depreciation) is credited to the revaluation reserve.

Notes to the Financial Statements – continued

Note 2- Particulars of turnover, operating costs and operating surplus

	2008/09				2007/08			
	Turnover	Cost of Sales	Operating Costs	Operating Surplus	Turnover	Operating Costs	Cost of Sales	Operating Surplus / (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Social Housing Lettings	19,662	-	(15,177)	4,485	18,052	(11,599)	-	6,453
Other Social Housing Activities								
Student accommodation	-	-	-	-	120	-	-	120
Turnover from Joint Venture with Southern Housing Group	259	-	(239)	20	260	(262)	-	(2)
Rental of Garages/Parking Spaces	305	-	-	305	293	-	-	293
Longwood Park Lease	1,048	-	-	1,048	953	-	-	953
First Tranche Sales	227	(84)	-	143	2,575	-	(977)	1,598
Other	69	-	-	69	51	-	-	51
	21,570	(84)	(15,416)	6,070	22,304	(11,861)	(977)	9,466

Particulars of income and expenditure from social housing lettings

	2008/09			2008/09	2007/08
	General Needs Housing	Key Workers	Shared Ownership	Total	Total As restated (see note 14)
	£'000	£'000	£'000	£'000	£'000
Income Lettings					
Rent receivable net of identifiable					
Service charges	17,624	31	199	17,854	16,675
Service income	1,759	19	30	1,808	1,348
Net Rental Income	19,383	50	229	19,662	18,023
Revenue grants from local authorities and others	-	-	-	-	29
Turnover from social housing lettings	19,383	50	229	19,662	18,052

Expenditure on Social Housing Lettings

Services	(1,292)	(9)	(104)	(1,405)	(1,126)
Care and support services	(165)	-	-	(165)	(135)
Management	(4,966)	-	-	(4,966)	(4,093)
Routine maintenance	(2,803)	(3)	-	(2,806)	(2,086)
Planned maintenance	(622)	-	-	(622)	-
Bad debts	(37)	(2)	-	(39)	(236)
Major repairs expenditure	(4,605)	-	-	(4,605)	(3,524)
Depreciation of housing properties	(522)	-	-	(522)	(393)
Other costs	(47)	-	-	(47)	(6)

Operating Cost on Social Housing Lettings

	(15,059)	(14)	(104)	(15,177)	(11,599)
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Operating Surplus on Social Housing Lettings

	4,324	36	125	4,485	6,453
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Void Losses

	(700)	(9)	-	(709)	(497)
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Notes to the Financial Statements - continued

Note 2 - Particulars of turnover, operating costs and operating surplus - continued

Surplus from sale of housing properties	2008/09 £'000	2007/08 £'000
Sale proceeds	3,347	5,643
Less: Cost of sales	(728)	(2,292)
Net Surplus from Sale of Housing Properties	<u>2,619</u>	<u>3,351</u>

Accommodation in management

	2008/09 Number of Units	2007/08 Number of Units
Social housing		
General needs	3,665	3,652
Shared ownership	57	61
Care Homes	19	19
Leaseholders	473	471
Long term lease to Longwood Park	336	337
TOTAL	<u>4,550</u>	<u>4,540</u>



Note 3 – Interest receivable and similar income

	2008/09	2007/08
	£'000	£'000
Interest receivable from bank and building society deposits	60	108
	<u>60</u>	<u>108</u>

Note 4 – Interest payable and other finance costs

	2008/09	2007/08
	£'000	£'000
On loans from the Parent Company under the Group funding arrangements :		
Repayment wholly or partly repayable within five years	5,169	5,574
Interest charged to the Income and Expenditure Account	<u>5,169</u>	<u>5,574</u>
Expected return on pension scheme assets	337	323
Interest on pension scheme liabilities	(293)	(304)
Other finance income/(cost) credited/charged to the Income & Expenditure Account	<u>44</u>	<u>19</u>

Note 5 – Surplus on ordinary activities before taxation

	2008/09	2007/08
	£'000	£'000
Surplus on Ordinary Activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
Housing Property	522	393
Other fixed assets	212	227
Operating lease rental – land and buildings	360	360
Auditors' remuneration:		
in their capacity as auditors	17	16
in respect of other services - Taxation	5	5

Note 6 – Gift Aid

	2008/09	2007/08
	£'000	£'000
Gift Aid Donation (Portal Housing Limited)	<u>(2,500)</u>	<u>(4,400)</u>

**Note 7 – Taxation**

	2008/09 £'000	2007/08 £'000
UK Corporation tax on surplus for the period - adjustment in respect of prior periods	(103)	-
Factors Affecting the Tax Charge for the Year		
Deferred Tax		
Movement in deferred tax asset	-	(107)
Movement in deferred tax asset relating to pension scheme deficit	-	-
	<hr/>	<hr/>
Current Tax Charge	(103)	(107)
Surplus on ordinary activities before taxation	1,124	2,970
Taxation on surplus on ordinary activities at 28% (2008: 30%)	315	891
Effects of:		
Expenses not deductible for tax purposes	181	9
Amount charged directly to SIRGL	-	-
Capital allowances in excess of depreciation	-	(3)
Utilisation of tax losses	-	-
Other timing differences	99	(4)
Non taxable profit on Group transfer	(595)	(786)
Chargeable gains on property	-	(107)
Timing differences in respect of property disposals	-	-
Adjustment in respect of prior periods	103	-
	<hr/>	<hr/>
Current Tax Charge	<u>103</u>	<u>-</u>

Note 8 – Directors' Emoluments

The Directors are defined as the members of the Board and the Director of Windsor Housing.

	2008/09 £'000	2007/08 £'000
Directors' emoluments (including pension contributions and benefits in kind)	140	97
Pension Contributions	12	12
The emoluments (excluding pension contributions) of the highest paid Director (the Director of Windsor Housing)	88	85

The Director is an ordinary member of the SHPS Pension Scheme with the same conditions of membership applicable to all the Association's employees.

The Director has no pension arrangements to which the Association contributes other than those relating to membership of the scheme.

Business expenses are reimbursed to Board Members in the performance of their duties.

Board members received emoluments for the first time during the year.

The remuneration of the Group Chief Executive is disclosed in the financial statements of the ultimate parent undertaking, Radian Group Limited.



Note 9 – Staff Costs

The average number of employees expressed in FTE during the period was:

	2008/09	2007/08
	No.	No.
Housing Services and office staff	26	46
Wardens, caretakers and cleaners	14	13
Maintenance staff	-	26
	<u>40</u>	<u>85</u>

NOTE: Maintenance staff were transferred as of 1 April 2008 to the employment of Radain Group Limited , Windsor Housing's Parent company.

	2008/09	2007/08
	£'000	£'000
Staff Costs (for the above employees)		
Wages and salaries	993	2,466
Social security costs	91	210
Other pension costs	70	235
	<u>1,154</u>	<u>2,911</u>

Note 10 – Tangible fixed assets

	Housing Properties Held for Letting	Shared Ownership Properties	Total Housing Properties	Housing Properties Held for Letting in the course of construction	Shared Ownership Properties in the Course of Construction	Housing Properties in the Course of Construction	Housing Sub Total	Office Building	Leasehold / Office Improvements	Office/ Scheme Fixtures & Fittings	Computer Equipment	Commercial Vehicle & Fittings	Investments	Other Sub Total	Total
Cost	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2008	273,689	5,592	279,281	3,087	-	3,087	282,368	-	577	435	937	454	555	2,958	285,326
Prior Year Adjustment	-	-	-	(146)	-	(146)	(146)	-	-	-	-	-	-	-	(146)
At 1 April 2008 restated	273,689	5,592	279,281	2,941	-	2,941	282,222	-	577	435	937	454	555	2,958	285,180
Additions	-	-	-	14,683	-	14,683	14,683	2,507	-	25	19	-	0	2,551	17,234
Transferred into management	9,321	-	9,321	(9,321)	-	(9,321)	-	-	-	-	-	-	-	-	0
Reclassification	1,246	(1,246)	-	-	-	-	-	-	-	-	-	-	-	-	0
Disposals	(1,357)	(151)	(1,508)	-	-	-	(1,508)	-	-	-	-	-	(56)	(56)	(1,564)
Net movement on revaluation	15,102	1,160	16,262	-	-	-	16,262	-	-	-	-	-	-	-	16,262
At 31 March 2009	298,001	5,355	303,356	8,303	-	8,303	311,659	2,507	577	460	956	454	499	5,453	317,112
Social Housing Grant															
At 1 April 2008	41,422	1,172	42,594	3,087	-	3,087	45,681	-	-	-	-	-	-	-	45,681
Prior Year Adjustment	-	323	323	-	-	-	323	-	-	-	-	-	-	-	323
At 1 April 2008 restated	41,422	1,495	42,917	3,087	0	3,087	46,004	-	-	-	-	-	-	-	46,004
Received in year	-	-	-	6,218	76	6,294	6,294	-	-	-	-	-	-	-	6,294
Transferred into management	1,328	-	1,328	(1,252)	(76)	(1,328)	0	-	-	-	-	-	-	-	-
Disposals	-	(10)	(10)	-	-	-	(10)	-	-	-	-	-	-	-	(10)
At 31 March 2009	42,750	1,485	44,235	8,053	-	8,053	52,288	-	-	-	-	-	-	-	52,288
Accumulated Depreciation															
At 1 April 2008	-	-	-	-	-	-	-	-	495	338	891	90	-	1,814	1,814
Charge for the year	518	4	522	-	-	-	522	-	15	25	57	115	-	212	734
Eliminated on revaluation	(518)	(4)	(522)	-	-	-	(522)	-	-	-	-	-	-	-	(522)
At 31 March 2009	-	-	-	-	-	-	-	-	510	363	948	205	0	2,026	2,026
Net Book Values at 31 Mar 2009	255,251	3,870	259,121	250	-	250	259,371	2,507	67	97	8	249	499	3,427	262,798
Net Book Values at 31 Mar 2008	232,267	4,097	236,364	-	-	-	236,364	-	82	97	46	364	555	1,144	237,508

Development expenditure capitalised during the year amounted to £171,400 (2008: £246,0237)

Housing properties comprise:	2008/09 £'000	2007/08 £'000
Freeholds	238,266	219,756
Long leaseholds	18,357	16,931
	256,623	236,687

Net Book Value: Completed housing properties are stated at Existing Use Value for Social Housing (EUJ-SH) including notional directly attributable acquisition costs, as at 31 March 2009.

The Association's housing properties have been valued by professional external valuers, Drivers Jonas, Chartered Surveyors. The vacant possession market value of housing properties following this valuation is approximately £391 million (2008: £419 million).

Fixed Asset Investments – Windsor Housing holds 167 shares in the following joint venture:

Affinity (Reading) Holdings Limited: Equity holding: Ordinary Country of registration: England Proportion held: 16.67% Principal Activity: Holds 100% of the share capital of Affinity (Reading) Limited which is the operator of a FH Contract to supply refurbishment, management and maintenance of part of Reading Borough Councils housing stock

**Note 10 - Tangible Fixed Assets – Properties - continued**

In valuing the housing properties, discounted cash flow methodology was adopted and key assumptions included:

Discount rate	5.5%
Annual inflation rate	nil
Level of annual rent increase	RPI plus 0.5%

The carrying value of the housing properties that would have been included in the financial statements had the assets been carried at historical cost less SHG and depreciation is as follows:

	2008/09	2007/08
	£'000	£'000
Historical cost	171,030	158,225
Social housing grant	(51,837)	(45,681)
Depreciation and impairment	(1,111)	(869)
	<u>118,082</u>	<u>111,675</u>

	2008/09	2007/08
	£'000	£'000
Social housing grant		
Total accumulated SHG receivable at 31 March:		
Capital grant	51,837	45,681
	<u>51,837</u>	<u>45,681</u>

Note 11 - Properties for Sale

	2008/09	2007/08
	£'000	£'000
Shared Ownership properties:		
Properties completed	-	146
	<u>-</u>	<u>146</u>

Note 12 - Debtors

	2008/09	2007/08
	£'000	£'000
Gross arrears of rent and service charges	1,053	950
Provision for bad and doubtful debts	(710)	(612)
Net	<u>343</u>	<u>338</u>
Amounts due from Group undertakings	1,717	13,121
Other debtors and prepayments	4,029	903
Payroll debtors	21	-
	<u>6,110</u>	<u>14,362</u>

**Note 13 – Cash at bank**

	2008/09	2007/08
	£'000	£'000
Cash at bank and in hand	2,398	1,329

Note 14 - Prior year adjustment

The policy for accounting for shared ownership properties was changed during the year to reflect the Statement of Recommended Practice, 'Accounting for Registered Social Landlords 2008'. The sales proceeds for the first tranche sale of such properties is included within turnover and the cost or carrying value of the property is included within costs of sales.

The effects of the change in policy on the Group is summarised below:

	2008/09	2007/08
	£'000	£'000
Income & Expenditure Account		
Turnover	227	2,575
Cost of sales	84	(977)
	<u>143</u>	<u>1,598</u>

Balance Sheet

Current assets - work in progress	(146)	146
Revaluation reserves	-	(2,722)
Revenue reserves	-	2,576
Recycled Capital Grants		(323)
Fixed Assets		<u>323</u>
(Decrease) in net assets	<u>(146)</u>	<u>-</u>

Note 15 - Creditors – amounts falling due within one year

	2008/09	2007/08
	£'000	£'000
Housing Loans (Note 16)	9,000	15,000
Rent and service charges received in advance	499	691
Interest due and payable	316	333
Amounts due to contractors	232	501
Amount due to fellow subsidiaries	898	7,372
Corporation tax	103	32
Other taxation and social security payable	35	62
Other creditors and accruals	6,459	2,011
Disposal Proceeds Fund (Note 17)	-	425
Recycled Capital Grant Fund (Note 17)	137	153
Right to buy profit share agreement	1,954	1,584
SHG received in advance	-	3,504
	<u>19,633</u>	<u>31,668</u>

**Note 16 - Creditors – amounts falling due after more than one year**

	2008/09 £'000	2007/08 £'000
Bank and Building Society Loans		
Housing Loans falling due after more than one year	97,500	85,000
Balance sheet	<u>97,500</u>	<u>85,000</u>

Bank and Building Society loans are secured by fixed mortgages over the housing properties and fixed charges over the Association's bank accounts. Interest rates are fixed within a range of 4.58% to 6.90% or vary with the market.

	2008/09 £'000	2007/08 £'000
In one year or less	9,000	15,000
Loan repayable otherwise than by instalment In five years or more	97,500	85,000
	<u>106,500</u>	<u>100,000</u>

Note 17 – Recycled capital grant fund and disposal proceeds fund

	2008/09 Disposal Proceeds Funds £'000	2008/09 Recycled Capital Grant Fund £'000	2008/09 Total £'000	2007/08 Total £'000
As at 1 April 2008	425	153	578	578
Prior Year Adjustment	-	-	-	(323)
As at 1 April 2008 restated	425	153	578	255
Interest accrued	-	-	-	-
Grants recycled	(425)	(16)	(441)	323
Closing Balance	<u>-</u>	<u>137</u>	<u>137</u>	<u>578</u>

**Note 18 - Share capital**

	2009	2008
	£'s	£'s
Shares of £1 each		
Issued and fully paid at 1 April 2008	11	11
Shares in issue at 31 March 2009	11	11

Ordinary shares of £1 each allotted and fully paid

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

Note 19 - Reserves

	Revenue Reserve £'000	Revaluation Reserves £'000	Total £'000
As at 1 April 2008	10,814	125,012	135,826
Prior Year Adjustment (Note 13)	2,576	(2,722)	(146)
As at 1 April 2008 Restated	13,390	122,290	135,680
Surplus for the year	1,021	-	1,021
Transfer in respect of realised gain on disposal of revalued properties	655	(77)	578
Surplus on revaluation of properties	-	16,262	16,262
Actuarial loss on pension scheme (net of deferred tax)	(770)	-	(770)
Portal sale realised gain on disposal	-	(432)	(432)
Transfers in respect of depreciation on revalued properties	522	(522)	-
As at 31 March 2009	14,818	137,521	152,339
Revenue reserve		2009	2008
		£'000	£'000
Revenue reserve excluding pension liability		16,652	14,387
Pension liability		(1,834)	(997)
Revenue reserve		14,818	13,390



Note 20 – Pensions

Pension obligations note - SHPS

Windsor & District Housing Association participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state scheme.

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

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

- 3.1 Final salary with a 1/60th accrual rate.
- 3.2 Final salary with a 1/70th accrual rate.
- 3.3 Career average re-valued earnings with a 1/60th accrual rate.

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

The Association has elected to operate final salary with a 1/60th accrual rate and a career average re-valued earnings with a 1/60th accrual rate benefit structure for active members as at 1 April 2007 and the career average re-valued earnings with a 1/60th accrual rate benefit structure for new entrants from 1 April 2007.

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

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

During the accounting period, the Society paid contributions at the rate of 18.87%. Member contributions varied between 5.7% and 8.4% depending on their age.

As at the balance sheet date, there were 24 active members of the Scheme employed by the Society. The Society continues to offer membership of the Scheme to its employees.

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

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,527 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £663 million, equivalent to a past service funding level of 70%.

Notes to the Financial Statements - continued

Note 20 - Pension obligations note - SHPS scheme - continued

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2008. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £1,760 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £209 million, equivalent to a past service funding level of 89%. Annual funding updates of the SHPS scheme are carried out using approximate actuarial techniques, rather than member by member calculations and will, therefore, not produce the same results as a full actuarial valuation. However, they will provide a good indication of the financial progress of the Scheme since the last full valuation.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation, the following notes relate to the formal actuarial valuation as at 30 September 2008.

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:-

	% per annum
Valuation Discount Rates	
Pre Retirement	7.8
Non Pensioner Post Retirement	6.2
Pensioner Post Retirement	5.6
Pensionable earnings growth	4.7
Price inflation	3.2
Pensions Increases	
Pre 88 GMP	0.0
Post 88 GMP	2.8
Excess over GMP	3.0

Expenses for death in service insurance, administration and PPF levy are included in the contribution rate.

The valuation was carried out using the PA92C2025 mortality table for non-pensioners and PA92C2013 mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:-

	Males Assumed Life Expectancy in years at age of 65	Females Assumed Life Expectancy in years at age of 65
Non-pensioners	22.2	25.3
Pensioners	21.3	24.3

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60th accrual rate	17.6
Final salary with a 1/70th accrual rate	15.3
Career average re-valued earnings with a 1/60th accrual rate	14.1

The long-term joint contribution rates required from employers and members where contributions are set on an age related basis are:-

Age	Under 30	30-40	Over 40
Benefit structure	Longterm joint contribution rate (% of pensionable salaries)		
Final salary with a 1/60th accrual rate	16.1	17.1	18.1
Final salary with a 1/70th accrual rate	13.8	14.8	15.8
Career average revalued earnings with a 1/60th accrual rate	12.6	13.6	14.6

Notes to the Financial Statements - continued

Note 20 - Pension obligations note - SHPS scheme - continued

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

Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of £663 million would be dealt with by the payment of deficit contributions of 7.5% of pensionable salaries with effect from 1 April 2007. These deficit contributions are in addition to the long-term joint contribution rates set out in the table above.

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

Employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 3.0% to reflect the higher costs of a closed arrangement.

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

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

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the past service deficit by 30 September 2020.

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

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

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

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt, therefore, includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt, therefore, depends on many factors including total Scheme liabilities, Scheme investment performance, the



Windsor Housing

liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Notes to the Financial Statements - continued

Note 20 – Pensions - continued

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2008. As of this date the estimated employer debt for the Association was £3,818,000.

Royal County of Berkshire (RCB) Pension Fund

The RCB pension fund is a funded scheme. The latest formal valuation of the Fund was at 31 March 2007, when the Scheme's assets were valued at £1,473 million.

Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value. The valuation has been up-dated to 31 March 2009 for FRS17 purposes.

The main financial assumptions adopted as at 31 March 2009 were:

	2009	2008	2007
Price increases per annum	3.00%	3.70%	3.20%
Salary increases per annum	4.50%	5.20%	4.70%
Pension increases per annum	3.00%	3.70%	3.20%
Discount rate per annum	6.70%	6.60%	5.40%

The fair values of each main class of assets held by the whole Fund as at 31 March 2009 and the expected rates of return for the ensuing year are set out in the following table:

	Fair Value	Expected Return	Fair Value	Expected Return	Fair Value	Expected Return
	2009	2009	2008	2008	2007	2007
	£'000	%	£'000	%	£'000	%
Equities	609,743	7.4	976,732	7.9	1,062,863	7.8
Gilts	92,827	4.0	109,381	4.5	191,972	4.9
Other Bonds	142,915	6.5	111,533	6.6	-	-
Property	105,606	5.5	144,920	5.9	140,166	5.8
Cash	293,377	3.0	46,039	5	77,915	4.9
Total (Whole Fund)	1,244,468		1,388,605		1,472,916	

The proportions of total assets held (in respect of the Association's share of the Fund) in each asset type, shown above, reflect the proportions held by the Fund as a whole at 31 March 2009.

**Note 20 – Pensions - continued**

The Association's share of the net assets and liabilities of the Scheme is set out below:

	2008/09	2007/08	2006/07
	£'000	£'000	£'000
Share of assets in Royal County of Berkshire Pension Fund	2,824	4,126	4,905
Present value of Scheme liabilities	(4,658)	(5,123)	(5,898)
Association share of deficit in the scheme	(1,834)	(997)	(993)

Analysis of amount chargeable to operating profit

Amount Charged to Operating Profit	2008/09	2007/08	2006/07
	£'000	£'000	£'000
Current Service Cost	(72)	(93)	(140)
Curtailment & Settlements	-	(52)	-
Total Operating Charge	<u>(72)</u>	<u>(145)</u>	<u>(140)</u>

Amount credited to other finance costs

	2008/09	2007/08	2006/07
	£'000	£'000	£'000
Expected Return on Employer Assets	337	323	309
Interest on Pension Scheme Liabilities	(293)	(304)	(292)
Net Return	<u>44</u>	<u>19</u>	<u>17</u>

Analysis of Amount Recognised in Statement of Total Recognised Surpluses and Deficits (STRSD)

	2008/09	2007/08	2006/07
	£'000	£'000	£'000
Actual return less expected return on pension Scheme assets	(1506)	(671)	4
Experience gains & losses arising on the Scheme liabilities	-	(96)	1
Changes in financial assumptions underlying the present value of the Scheme liabilities	<u>736</u>	<u>751</u>	<u>366</u>
Actuarial (loss)/gain in pension plan	<u>(770)</u>	<u>(16)</u>	<u>371</u>

Movement in deficit during the year

	2008/09	2007/08	2006/07
	£'000	£'000	£'000
(Deficit) at beginning of the year	(997)	(993)	(1386)
Current Service Cost	(72)	(93)	(140)
Employer contributions	66	138	145
Other finance income	(44)	19	17
Settlements/Curtailments	(17)	(52)	-
Actuarial (losses)/gains	<u>(770)</u>	<u>(16)</u>	<u>371</u>
(Deficit) at end of year	<u>(1834)</u>	<u>(997)</u>	<u>(993)</u>

Notes to the Financial Statements - continued

Note 20 – Pensions - continued

History of Experience Gains & Losses:

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Difference between the expected & actual return on assets	(1,506)	(671)	4	645	121
Value of assets	2,824	4,126	4,905	4,577	3,704
Percentage of assets	(53.30)%	(16.30)%	0.10%	14.10%	3.30%
Experience gains on liabilities	-	-	1	1	275
Present value of liabilities	4,658	5,124	5,898	5,963	4,974
Percentage of the present value of liabilities	0.00%	(2.00)%	0.00%	0.00%	5.50%
Actuarial gains/(losses) recognised in STRSD	(770)	(16)	371	(82)	458
Present value of liabilities	4,658	5,124	5,898	5,963	4,974
Percentage of the present value of liabilities	(16.53)%	(0.30)%	6.30%	(1.40)%	9.20%



Note 21 – Pension Liability

The net pension liability is as follows:

	2009	2008
	£'000	£'000
Deficit in scheme at end of year	1,834	997
	<u>1,834</u>	<u>997</u>

Note 22 – Deferred Tax Asset

The deferred tax asset is represented by:

	2009	2008
	£'000	£'000
Other short term timing differences	<u>-</u>	<u>5</u>
	<u>-</u>	<u>5</u>
Total deferred tax asset		
	-	102
Balance at 1 April	-	(107)
Deferred tax charge in the year (Note 7)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Balance at 31 March		

A deferred tax asset has not been recognised in respect of timing differences primarily arising from the pension deficit as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £251,100 (£1,200). The asset would be recovered if there are sufficient and suitable profits in the future.



Note 23 – Ultimate Parent Undertaking

At 31 March 2009 the Association’s ultimate parent undertaking and ultimate controlling party was Radian Group Limited.

Radian Group Limited is the parent of both the largest and smallest group into which Windsor & District Housing Association

Radian Group Limited is a Registered Provider.

Details of the undertakings over which the Group has control are as follows:

Name of Association	Country of Registration	Nature of Business	Status
The Swaythling Housing Society Limited	England	Registered Social Landlord	Industrial & Provident Society
Portal Housing Association Limited	England	Registered Social Landlord exempt charity	Industrial & Provident Society
Swaythling Assured Homes Plc	England	Rental of residential property	Public Limited Company
1999 Housing Society Limited	England	Exempt charity	Industrial & Provident Society
Drum Housing Association Limited	England	Registered Social Landlord exempt charity	Industrial & Provident Society
Drum Services Limited	England	Leasing and home repairs	Company Limited by shares
Windsor & District Housing Association Limited	England	Registered Social Landlord	Industrial & Provident Society
Turnstone Support Limited	England	Support Services	Industrial & Provident Society
Cerus Homes Limited	England	Rental of property	Company Limited by shares
Longwood Park Limited	England	Registered Social Landlord	Industrial & Provident Society
Oriel Housing Limited	England	Registered Social Landlord	Industrial & Provident Society

Notes to the Financial Statements - continued

Note 24 - Financial Commitments

The total amount contracted for at 31 March 2009 related to schemes for which Board approval has been received and finance arranged.

	2009	2008
	£'000	£'000
Capital expenditure commitments were as follows:		
Major works expenditure contracted but not provided in the accounts	712	2,749
Capital New Build expenditure contracted but not provided in the accounts	1,397	3,211
Total capital commitments	<u>2,109</u>	<u>5,960</u>

Major works, capital new build or other capital commitment authorised by the Board but not contracted

Operating Leases

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

	2009	2008
	£'000	£'000
Buildings		
two to five years	-	360
	<u>-</u>	<u>360</u>

Note 25 - Contingent Liabilities

Following a change in legislation in September 2005 there is a potential debt on employers that participate in multi-employer pension schemes such as SHPS that could be levied by the Trustee. The Association's liability with regard to employer debt has been calculated at £3,818,000 for the SHPS Scheme (See Note 20). We do not anticipate this debt crystallising in the foreseeable future.

Registered office

Windsor & District Housing Association Limited

Parkside House
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Windsor, Berkshire
SL4 1BY
T. 01753 777444
F. 01753 777499

Registered under the Industrial and Provident Societies Act 1965 No. 27877R

Registered by The Tenant Services Authority No. L4072

Member of the National Housing Federation

