

Report and Financial Statements

31 March 2014

Radian Support Limited

Industrial and Provident Society No: 27209R



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General Information

Board of Management

Richard Barritt *Chair*

Nick Apetroaie

Steven Booth

Corinne Adams

Sukhraj Dhadwar

Sheila Hayes

Mark Quinn

Mark Ralf

Roger Webb

Secretary

Terry Walker

Registered Office

Parkside House

33-39 Sheet Street

Windsor

Berkshire

SL4 1BY

Bankers

Barclays Bank

29-30 High Street

Windsor

Berkshire

SL4 1PG

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

2 New Street Square

London

EC4A 3BZ

Chair's Statement

Principal Activities

The principal activities of Radian Support Limited are to provide support to people with learning disabilities and people with other complex needs including mental health. The business also supports older people in Berkshire, Buckinghamshire, Surrey and Hampshire.

Radian Support Limited is a charitable Industrial and Provident Society and a subsidiary of Radian Group Limited.

Introduction from the Chair of the Board

I have enjoyed the privilege of serving on various Boards within the Group, including the Board of The Swaythling Housing Society Limited and eventually the Radian Group (parent) Board. I have been a member of the Group Combined Board since September 2010, when I also took up my appointment as Chair of Radian Support Board. We will shortly appoint a new Chair for Radian Support Board, to whom I will hand over the reins at the end of August.

The financial year 2013/14 was particularly challenging as a result of contract negotiations, bidding for new business and the impact of auto enrolment into the pension scheme. We have achieved a significant increase in turnover of £0.9m from £15.5m in 2013 to £16.4m in 2014. Increasing staff costs reflect the growth of the business and the impact of auto enrolment tempered by the reduction in central costs through a reorganisation of the management structure. This year we report a surplus of £7k which is disappointing when compared with the £195k surplus we reported last year. Nevertheless the outlook for 2014/15 is very positive as we will benefit from the full year's contribution from the new contracts and expansion of Radian at Home into Buckinghamshire.

At the start of 2013/14, we focused on a number of key strategic areas in pursuit of our business goals. Positive achievements in each of these strategic areas helped make 2013/14 another successful year.

Putting the People at the Heart of What We Do

People we support have a vision which they express as "our life, our choice, our way". We are committed to making this reality and are delighted to report a number of initiatives that engage people we support in the design and delivery of our services. This has included working with the Royal Borough of Windsor and Maidenhead to initiate the development of the social enterprise "Disability is our Ability". This provides employment and training for people we support and builds on the initial delivery of learning disability and autism awareness training to local authorities and partners. The project has continued with workshops and has embarked on a peer audit programme which entails visiting services and reporting on quality and satisfaction from the perspective of people we support. They are also involved in developing and presenting tender bids. People we support have a forum, the "Have Your Say Committee", which continues to provide us with insight into how people we support experience our services in their lives. The committee Chair has direct involvement in the running of Radian Support as a co-opted member of the Board.

Personalisation

An outcome of the Personalisation project was the appointment of an Inclusion and Involvement Lead to take forward the "Progress for Providers ("PfP")" plan to embed our commitment to personalised services. They have facilitated an organisational wide PfP action plan, allowing us to implement and measure initiatives developed at a local and regional level. We will publish the results of our PfP action plan during 2014/15.

Chair's Statement

continued

Introduction from the Chair of the Board continued

Quality and Outcomes

We have implemented a Quality Framework to consider both regulatory and quality requirements and ensure continuous improvement of our services, with a view to exceeding the requirements arising from the new Care Quality Commission (CQC) approach to inspection and regulation. This included developing a management group to monitor the quality of services, a quality review group comprising external stakeholders and a peer audit group of people we support to achieve a more holistic approach to the quality assurance of our services.

We have completed a pilot of our new care management system to gather, collate and share information more efficiently, particularly for our floating support and Radian at Home services. This will provide a more robust attendance management and rota system to respond to new business opportunities. The software solution we have chosen to implement is innovative, providing one solution for both domiciliary and residential care services and a mobile working solution, reducing administrative costs and improving operational communications. During the year we started rolling out the system to all accommodation based services and we will be developing the Radian at Home systems to improve the evaluation of contractual data and the monitoring of travel and national minimum wage calculations.

Partnerships

We continued to work with the Royal Borough of Windsor and Maidenhead's "Ways into Work" initiative to develop a training and mentoring programme, providing a further paid supported work placement at our Windsor office. We also strengthened our partnership with Radian's Employment, Support and Training (EST) project by developing additional opportunities for people with disabilities.

Diversifying Income Through Creative Service Development and Growth

The Care Attendants Scheme (CAS) team was renamed Radian at Home to reflect better the activities of the service and to ensure a clear link to the Radian name. We successfully renewed a number of support contracts through negotiation and remodelling of the service provision. We continued to increase the number of independently funded clients of the Radian at Home service in Berkshire and Hampshire.

We increased the number of support packages in our Extra Care services. In terms of overall growth, we achieved £1.2m in new income.

Future Developments

We will build upon the launch of the Radian at Home service with a specific focus on growing the number of privately funded clients and developing dementia services. This includes committing the organisation to being a "Dementia Friendly Organisation" and aligning the training of our staff with a number of best practice dementia initiatives.

We will complete an ambitious Personalisation action plan to embed our commitment to the design and delivery of personalised services. We will work with colleagues throughout Radian to raise the profile of the social enterprise "Disability is Our Ability" to sustain the development of the enterprise and to meet the aspirations of those involved.

Under the stewardship of the new Chair we are on track for full implementation of the new IT "Office Base" system to improve both the collection of the quality data and to enable a "mobile" data and rota system for Radian at Home services. These benefits will drive efficiencies enabling us to grow the Radian at Home business.



Richard Barritt

Chair

Board Report

The Board presents its annual report and the audited financial statements for the year ended 31 March 2014.

Board Members and Executive Directors

The present Board members of the Society are set out on page 2. The Board members are drawn from a wide background bringing together professional, commercial and local experience. All Board members are non-executives.

The following Board members joined the Board in the period up to the date of signing the report:

Corinne Adams (*Co-opted from 10 December 2013*)

The following Board member resigned in the period up to the date of signing this report:

Alan Dale (*9 December 2013*)

Membership and Remuneration of the Board

Radian Support Limited	Role	Board movements 01/04/13 – 31/03/14		Annualised fees*
		Joined	Left	
Richard Barritt (<i>Chair</i>)	Member of NBC and member of the Group Combined Board			£2,350
Mark Ralf	Member of the Group Combined Board			£0
Nick Apetroaie	Member of HASC			£3,400
Sukhraj Dhadwar	Member of GAC and GFC			£3,400
Sheila Hayes	Member of RARC			£3,400
Mark Quinn	Member of NBC			£3,400
Roger Webb	Parent of a person supported by the Society			£3,400
Steven Booth	Member of RARC			£3,400
Corrine Adams	Co-opted member (as Chair of the Have Your Say Committee)	10/12/13		£1,000
Alan Dale	Co-opted member (as Chair of the Have Your Say Committee)		09/12/13	£1,000

Richard Barritt is also a member of the Board of Radian Group Limited.

*In accordance with Group policy, fees are payable by the Society to Board members except for those who are also members of the Group Combined Board whose fees are paid by the parent company in respect of that role. A supplement is paid for Chairing the Board.

Board membership at 31 March 2014 is indicated by shading.

The executive Directors are the Group Chief Executive, the Director of Radian Support Limited and the other members of the Group's senior management team.

The executives hold no interest in the Group's shares and act as executives within the authority delegated by the Board.

Group insurance policies indemnify Board members and officers against liability when acting for the Group.

Board Report

Board Members and the Executive Directors continued

The Board of Management of the Society met several times in the year, and was supported by the:

- Group Audit Committee (“GAC”)
- Remuneration and Resources Committee (“RARC”)
- Housing Assets and Services Committee (“HASC”)
- New Business Committee (“NBC”)
- Group Finance Committee (“GFC”)

In addition, delegated authority was given by the Remuneration and Resources Committee to the Group’s Pensions Working Party, and by the New Business Committee to the Executive Appraisal Panel.

Corporate Governance Statement

The respective purpose and remit of the sub-committees are outlined below:

Group Audit Committee

The purpose and remit of this committee is to ensure effective controls, by reviewing, advising, or deciding upon these matters, as authorised by the Board of Management:

- Internal control framework and internal audit;
- Risk management and insurance;
- External audit and review of financial statements;
- Responsibility for Health and Safety;
- The effectiveness and role of the Committee.

The Group Audit Committee makes regular reports to the Board and met four times during the year.

Remuneration and Resources Committee

The purpose and remit of this committee is to review, advise or decide upon matters, as authorised by the Board of Management:

- Board and Committee effectiveness, and board member recruitment succession and terms of appointment;
- Executive recruitment, terms of employment, remuneration, performance and annual objectives;
- Staff remuneration and benefits policy (including pensions), staff employment contracts, condition of service and Human Resource (“HR”) policies, changes to organisational structure;
- Staff engagement;
- Plans, performance, efficiency, and resourcing of corporate services, and HR, communications, and learning and development strategies;
- Issues arising under the non-contractual payments and benefits policy, or employment litigation.

Board Report

continued

Corporate Governance Statement continued

Housing Assets and Services Committee

The role and remit of this committee is to oversee housing, asset management and customer service, and value for money strategy in all parts of the Group, by reviewing, advising, or deciding upon these matters, as authorised by the Board of Management:

- Monitoring of service delivery performance and VfM outcomes;
- Approving performance measures and targets and recommending Group VfM targets;
- Advising on service delivery resources;
- Reviewing service delivery strategies and approving relevant policies.

New Business Committee

The purpose and remit of this committee is to:

- Make decisions regarding the submission of bids for new capital or revenue projects or programmes;
- Make decisions regarding the development or acquisition of capital or revenue projects or programmes, including the acquisition of tenanted stock;
- To make decisions regarding home ownership and market rent lettings transactions;
- To make decisions regarding the disposal of existing Radian owned land or property;
- To make decisions regarding Joint Ventures with third parties and partnership agreements with third parties involving contractual obligations;
- To monitor contract and consultant performance, HCA programme delivery, Key Performance Indicators and risk management associated with the approved projects and programmes;
- To delegate authority for decision making to the Chief Executive Officer via the Executive Appraisal Panel in accordance with agreed parameters for financial appraisal and risk management;
- To monitor and ensure the effectiveness and role of the New Business Committee;
- To keep members of the Group Combined Board apprised of new initiatives and opportunities under consideration.

Group Finance Committee

The purpose and remit of this committee is to review, advise, or decide upon these matters, as authorised by the Group Combined Board:

- Budgets, plans and financial operations;
- Treasury matters;
- Pensions;
- The effectiveness and role of the committee.

Pensions and Advisory Panel

The purpose of the Pensions Advisory Panel is to:

- Provide a forum and source of expertise to consider pensions issues for the Group and its employees;
- Monitor and make recommendations to the Remuneration and Resources Committee about the Pension Trust or other pensions providers with regards to the Society's pension scheme;
- Advise the Remuneration and Resources Committee on pensions, as required;
- Decide on matters specifically delegated to it by the Remuneration and Resources Committee

Board Report

continued

Corporate Governance Statement continued

Executive Appraisal Panel

The purpose of the Executive Appraisal Panel (“EAP”) is to monitor activity under Radian’s Development Strategy, appraise and monitor development and other new business projects, and advise New Business Committee (“NBC”) or take decisions on those matters where NBC has delegated authority to EAP.

Service Contracts

The Chief Executive and other executives are employed on the same terms as other staff, their notice periods ranging from three to six months.

Other Benefits

The executive Directors are entitled to other benefits such as the provisions of a car and health care insurance.

Pensions

The executive Directors are members of the Radian Group Pension Scheme (RGPS). They participate in the sections of the schemes on the same terms as all other employee members of those sections and the Society contributes to the sections of the scheme on behalf of its employees.

Involvement of Residents and People We Support

The Group actively encourages tenants’ involvement in decision-making by promoting mechanisms for tenant involvement. Two members of the parent company board are tenants and there are also tenants on the boards of the main subsidiaries. The majority of members of the five area panels which scrutinise services on a regional basis are also residents. In addition, the Panels nominate members to the Radian Residents Council. The Group Chair attends the latter and the Residents Council Chair attends Board meetings, so there are clear communication channels between tenants groups and the Board.

The Society has established a “Have Your Say” Committee to provide a forum in which the people it supports can become involved in consultation and decision-making. From March 2013, the Committee Chair was invited to become a co-opted member of the Board of the Society.

Governance and Regulation

The Group’s operations, and the operations of the Society, are carried out in accordance with the Housing Acts and regulated by the Regulation Committee of the Homes and Communities Agency (“HCA”), and in respect of the care and support activities of the Society, regulated by the Care Quality Commission. The Society is also regulated as a charitable Industrial and Provident Society.

The Group complies with the principal recommendations of the NHF Code: Excellence in Governance (as revised in 2010), and the NHF Code of Conduct for members (as revised in 2012).

The Group Audit Committee has agreed a protocol with the external auditor which sets out policies for determining what non-audit work can be undertaken by the external auditor and procedures for periodic review and selection of the external auditor. The level of fees paid for this work is set out in note 4 to the financial statements.

The Group continues to achieve high levels of financial and non-financial performance.

Board Report

continued

Internal Control Statement

The Group Combined Board (GCB) acknowledges its ultimate responsibility for establishing and maintaining the whole system of internal control that is appropriate to the various business environments in which it operates and for reviewing the effectiveness of those controls. This applies to all companies and subsidiaries within the 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 GCB 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 Company's, and the Group's, assets and interests.

In meeting its responsibilities, the GCB has adopted a risk-based approach to internal controls that are embedded within the normal management and governance process. This approach, consistent with past practice, includes the regular evaluation of the nature and extent of risks to which the Group is exposed.

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

Identification and Evaluation of Key Risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities. The process is coordinated through a regular reporting framework by the Group Audit Committee ("GAC"). 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 risk. The Board reviews strategic risk at least once every year.

Monitoring and Corrective Action

A process of control self-assessment (within each entity) 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. In addition, the Group continues to use an outsourced internal audit function to monitor and highlight any issues across the Group as expanded upon below.

Control Environment and Control Procedures

The GCB retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Group's Standing Orders set out terms of reference for all Boards and Committees.

They also 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.

Board Report

continued

Internal Control continued

The GCB has adopted the NHF Code 'Excellence in Governance' of 2010 and the NHF Code of Conduct (2012) and considers that the Group is broadly compliant with both Codes. A statement of non-compliance is published on the Radian website and refers to:

- Section D1 of the Code: "To support Board renewal, maximum terms of office must be two to three terms, with an overall maximum period of Board service for non-executive Board members of no more than nine years". The 'nine-year rule' is in respect of Board membership. Currently, this is not exceeded on any Board in the Group. It has however been exceeded in relation to three GCB members who have served for longer than nine years on different Boards within the Group. At 31 March 2014 this was the case for one of the Board members and for the other two from 26 April 2014. These members are due to leave Radian on 31 August 2014, 25 September 2014 and 30 September 2014. The Board considered there to be a strong business case for each exceeding a total of nine years of service to the Group and information about this has been published on the website. Succession plans are being implemented and the Group will have no Board members who have served more than nine years from October 2014.
- Section H2 of the Code: "The Chair of the GAC must not be the Chair of the Board or an Executive member of the Board." Recent legal advice has clarified that this rule applies to chairing of Radian's subsidiary Boards as well as of the parent Board. The Swaythling Housing Society Limited ("Swaythling") is currently in breach of this section H2 as the Chair of GAC is also Chair of Swaythling. Following consultation between the Chief Executive, the Directors of Corporate Services and Finance, the Group Chair has agreed that the breach should be reported to the HCA, together with confirmation of our intention to rectify the position at the GCB meeting on 25 September 2014, following our Annual General Meetings, when all of the subsidiary Board and committee chair appointments are made.
- Radian publishes a register of interests for Board and Committee members, involved residents, Executives, the Company Secretary and Deputy Company Secretary. The interests of senior managers were not published by 31 March 2014, but the plan is to publish them during the Summer of 2014. Radian has taken the view that the administrative burden of publishing the interests of all other staff would be disproportionate.
- Radian publishes details of Board remuneration on its website, but in the past has published only the total cost of Board remuneration in the statutory accounts of Group members. From 2013/14 onwards, additional detail will be provided in the Board Reports of the statutory accounts.

The GCB expects Board and Committee members, involved residents and staff to abide by the Radian Code of Conduct, which is based on a model provided in the NHF Code of conduct.

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 for service standards and progress against operational plans are prepared, providing an 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 GCB, according to delegations set out in the Standing Orders.

Board Report

continued

Internal Control Statement continued

GAC

The GAC 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 GAC makes regular reports to the Board.

Fraud

A Group-wide fraud prevention policy and response plan are in place, and all incidents are reported to the GAC and recorded in a register reviewed annually by that Committee. The policy covers prevention, detection and reporting of fraud and the recovery of assets. The Board, via the GAC, has reviewed the fraud register. A Group whistle-blowing policy is also in place. Controls to mitigate the risk of money laundering, and procedures for identifying potential money laundering incidents are in place.

The internal control framework and the risk management process are subject to periodic review by internal auditors who are responsible for providing independent assurance to the Board via the GAC. The internal auditors have confirmed that for the 12 months ended 31 March 2014 Radian has adequate and effective control and governance processes to manage the achievement of the Group's objectives. The GAC considers control and risk at each of its meetings during the year.

The GCB (as well as the GAC) 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 GCB has concluded that the system of internal controls is effective and that where issues have arisen these have been appropriately addressed and potential risks mitigated.

Health and Safety

The Group has prepared detailed health and safety policies and procedures which are managed to protect our employees, visitors, contractors, residents and members of the public from harm. We also provide staff training and education on health and safety matters.

Key performance indicators monitor compliance and performance within the safety management system. Compliance is reported to the Group Audit Committee and the Board on a quarterly basis.

Going Concern

In its consideration of going concern, the Board has reviewed the Society's expected income and expenditure performance for the foreseeable future in terms of profitability and cash flow, together with an appraisal of the effects of its new business development programme where these projections are based on prudent data and realistic assumptions.

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

In determining that the Society is a going concern the Board has considered the risks and uncertainties posed by current uncertain economic conditions and concluded that they do not currently represent a significant risk to the Society.

Board Report

continued

Going Concern continued

After making enquiries and on the basis that these projections are based on prudent data and realistic assumptions, the Board has a reasonable expectation that the Society 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.

Auditor

In the case of each of the persons who are Directors of the Society at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Society's auditor is unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Society's auditor is aware of that information.

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

The Board Report was approved by the Board on 22 July 2014 and signed on its behalf by:



Richard Barritt
Chair

Strategic Report

Our Corporate Plan 2012-2015: 'From Good to Great'

Our Vision

'Radian – where people flourish'

Purpose

We will create great housing, care and support services, listening hard to our customers, to ensure that Radian is their positive choice for all that we provide. We will work with local partners to deliver our vision to be a place where people flourish.

By 2015:

- 90% of our customers will say they trust and recommend us
- We will have increased our care and support services to £25m and added 1,500 homes to our stock
- We will have delivered 1,000 training places for our customers and people we support
- 75% of our employees will say they are fully engaged in supporting everything we do.

Our vision to be a place 'Where People Flourish', along with our values of 'choice, opportunity and trust', set the context for all our activities. They are people focused because we are a people business; everything we achieve is by people, for people. The following diagram shows how the corporate plan for 2012-15 is constructed to ensure that our Group mission drives our strategic goals and objectives, feeding operational plans and individual objectives.

Choice

Working to be chosen
on merit for everything
we do.

Opportunity

Creating it, seizing it,
and offering it.

Trust

Doing what we say,
saying what we do.

Strategic Report

continued

Our Corporate Plan 2012-2015: 'From Good to Great' continued

Our Objectives and Strategy for Achieving those Objectives



Strategic Report

continued

Corporate Strategy

The care and support business has its own corporate strategy, within the wider Group Corporate Plan.

Financial Performance

The budget strategy requires the business to budget to make a small cash surplus. The business generates a significant social dividend by improving the lives of the people it supports. The budget is prepared annually by the Radian Support Board and the Radian Group Combined Board on this basis. The Radian Support Board is separate from the Group Combined Board but the Chair and one other Board member also sit on the Group Combined Board.

Growth

The corporate strategy is to grow by winning new business at sufficient margin to achieve economies of scale which improve its viability in a period when commissioners are applying pressure on pricing. The growth strategy which determines the growth target is set by the Board.

Treasury Management

The business has significant accumulated reserves which are in the main represented by bank deposits. The treasury policy provides clear guidance on limiting counterparty risk, whilst seeking a reasonable financial return.

Principal Risks and Uncertainties

Nature of Risk	Impact	Mitigations Include
Failure to deliver Radian Support's Business Strategy	Radian Support fails to contain costs, win tenders and secure new businesses or acquisitions, threatening the achievement of Radian's growth strategy.	Radian Support's four year Business Strategy, incorporating growth and cost targets; Clear targets and budgets which distinguish new business. Existing monthly review of financial KPIs. Monitoring of new developments and targets. Review of the growth strategy has resulted in a revised target of £22.5m by 2017 which was approved on 7 June 2013.
Radian Support does not meet regulatory requirements leading to legal and/or financial consequences	Radian Support does not meet regulatory requirements of CQC, leading to legal and/or financial consequences and potential regulatory issues with the HCA.	CQC Registration, Inspection Visits, and formal monitoring procedures. CQC compliance monitored through KPIs and annual report.
Radian Support does not deliver safe and effective care and support services	A significant safeguarding and/or other serious incident, which might in turn damage the reputation of the organisation and the health and wellbeing of individuals.	Safeguarding Procedures, Monitoring visits, KPI information reported to SMT and Board. Business Continuity Plans and communication protocols in place.

Strategic Report

continued

Principal Risks and Uncertainties continued

Nature of Risk	Impact	Mitigations Include
Radian Support does not recruit and retain skilled and competent staff	Radian Support does not recruit and retain skilled and competent staff: <ul style="list-style-type: none"> • Inability to attract numbers and appropriate staff • High levels of absence and turnover • Lack of implementation of effective performance management 	Value based recruitment and behavioural screening programme. Range of advertising media. Dedicated recruitment staff and process to minimise recruitment lag. Explicit expectations around person centred working and dealing with challenging services. Induction and ongoing training, 1:1 and appraisal processes monitored through KPI.

The Strategic Report was approved by the Board on 22 July 2014 and signed on its behalf by:



Richard Barritt
Chair

Statement of Board Responsibilities

The Board is responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Industrial and Provident Society law in the United Kingdom requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society at the end of the year and of the surplus or deficit of the Society for the year then ended.

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;
- follow applicable United Kingdom Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent Auditor's Report to the members of Radian Support Limited

We have audited the financial statements of Radian Support Limited for the year ended 31 March 2014 which comprise the income and expenditure account, the statement of total recognised surpluses and deficits, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Society'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 Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board and Auditor

As explained more fully in the Statement of Board's Responsibilities, the 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors Report to the members of Radian Support Limited continued

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 March 2014 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 requires us to report to you if, in our opinion:

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



Helen George (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

28 July 2014

Income and Expenditure Account

Year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Turnover	3	16,365	15,471
Operating costs	3	(16,316)	(15,243)
Operating Surplus	3	49	228
Net other finance costs	13	(42)	(33)
Surplus on Ordinary Activities before Taxation	4	7	195
Tax on surplus on ordinary activities		–	–
Surplus on Ordinary Activities for the Year	12	7	195

All activities derive from continuing operations.

The notes on pages 22 to 36 form part of these financial statements.

Statement of Recognised Surpluses and Deficits

Year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Surplus for the financial year		7	195
Actuarial gain/(loss) relating to pension schemes	13	217	(1,588)
Total Recognised Surplus/(Deficit) for the Year		224	(1,393)

Balance Sheet

31 March 2014

	Note	2014 £'000	2013 £'000
Fixed Assets			
Tangible assets	7	1	7
Current Assets			
Debtors	8	1,441	1,408
Cash at bank and short term investments	9	3,924	4,803
		5,365	6,211
Creditors: Amounts Falling Due Within One Year	10	(1,229)	(2,182)
Net Current Assets		4,136	4,029
Total Assets Less Current Liabilities		4,137	4,036
Creditors: Amounts Falling Due After More Than One Year			
Pensions liability	13	(2,153)	(2,276)
		1,984	1,760
Capital and Reserves			
Called up share capital	11	–	–
Revenue reserve	12	1,984	1,746
Restricted reserve	12	–	14
		1,984	1,760

The financial statements of Radian Support Limited, registered Industrial and Provident Society number 27209R, on pages 20 to 36 were approved and authorised for issue by the Board on 22 July 2014 and signed on its behalf by:



Richard Barritt
Chair



Sukhraj Dhadwar
Board Member



Terry Walker
Secretary

Notes to the Financial Statements

Year ended 31 March 2014

1. Legal Status

The Society is registered as a charitable Industrial and Provident Society under the Industrial and Provident Society Act 1965.

2. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Society's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. These financial statements have been prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and UK GAAP.

Going Concern

The financial statements have been prepared on a going concern basis details of which can be found on page 11 of the Board Report.

Cash Flow

Under FRS 1, the Society is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Society in its own consolidated financial statements.

Related Parties

As the Society is a wholly owned subsidiary of Radian Group Limited, it has taken advantage of the exemption contained in FRS8 as 90 per cent or more of whose voting rights are controlled within the Group 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 Society is included, can be obtained from Companies House.

Turnover

Turnover represents income receivable from the provision of care and support services. Charges for care and support services funded by local authorities and individuals are recognised as they fall due under the contractual arrangements that are in place.

Value Added Tax ("VAT")

The Society is VAT registered, but a large proportion of its income, namely payment for the provision of care and support services, 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.

Management Expenses

Direct employee, administration and operating costs have been apportioned to the relevant section of the income and expenditure account on the basis of the costs of the staff and to the extent that they are engaged in each of the operations dealt with in the financial statements.

Notes to the Financial Statements continued

Year ended 31 March 2014

2. Accounting Policies continued

Bad and Doubtful Debts

Provision is made against trade debtors as well as other miscellaneous debts to the extent that they are considered to be irrecoverable.

Schemes Managed by Agents

The treatment of income and expenditure on properties managed by the Society or for the Society for the provision of care and support services, depends on whether the Society carries the financial risk and rewards.

Depreciation

Depreciation is charged on a straight line basis over the expected useful lives of the assets at the following annual rates:

Freehold premises	2%
Office equipment	20% – 33 1/3%
Office furniture and development equipment	10%
Motor vehicles, yard plant and machinery	25%

Pensions

The Society's pension arrangements comprise three defined benefit schemes, a defined contribution scheme and one multi-employer scheme. Lump sum payments are being made to reduce the deficits in the defined benefit schemes which are closed to new members.

Where the Society can identify its share of scheme assets and liabilities in a scheme, these are included on the balance sheet. The cost of providing pensions is charged to the income and expenditure account over the periods during which the Society benefits from the employees' services. Pension assets are measured using market values. Defined benefit 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 recognised surpluses and deficits, actuarial gains and losses.

The pension charge represents the employer contributions payable to the scheme in respect of the accounting period for the defined contribution schemes and the multi-employer scheme for which it is difficult for the Society to identify its share of scheme assets and liabilities on a reasonable and consistent basis.

Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases) they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term.

The corresponding leasing commitments are shown as obligations to the lessor and reported under creditors.

Finance lease payments are treated as consisting of capital and interest elements and the interest is charged to the income and expenditure account so as to represent a consistent rate of charge on the balance outstanding.

Notes to the Financial Statements continued

Year ended 31 March 2014

2. Accounting Policies continued

Taxation

The Society is exempt from corporation tax under section 506 Income and Corporation Taxes Act 1988, by reason of its charitable objectives and activities. H M Revenue & Customs confirmed that the Society is a charity within the definition of Section 506 of the Income and Corporation Taxes Act 1988.

3. Particulars of Turnover, Operating Costs and Operating Surplus/(Deficit)

	2014			2013		
	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000	Turnover £'000	Operating costs £'000	Operating surplus/ (deficit) £'000
Non-Social Housing Activities						
Income						
Residents' charges	875	–	875	874	–	874
Social services	14,872	–	14,872	13,824	–	13,824
Health authorities	123	–	123	100	–	100
Other income	495	–	495	673	–	673
Expenditure						
Direct Operating Costs						
Direct services costs	–	(297)	(297)	–	(287)	(287)
Management costs	–	(959)	(959)	–	(1,089)	(1,089)
Rent and property costs	–	(542)	(542)	–	(639)	(639)
Staff and Administration Costs						
Staff costs (including agency costs)	–	(13,829)	(13,829)	–	(12,919)	(12,919)
Administration overheads	–	(689)	(689)	–	(309)	(309)
Operating Surplus	16,365	(16,316)	49	15,471	(15,243)	228

Notes to the Financial Statements continued

Year ended 31 March 2014

4. Surplus on Ordinary Activities before Taxation

	2014 £'000	2013 £'000
Surplus on Ordinary Activities before Taxation is stated after Charging:		
Depreciation of tangible fixed assets	7	13
Operating lease rentals:		
Property	472	645
Other	178	173
The analysis of auditor remuneration is as follows:		
Fees payable (excluding VAT) to the Society's auditor for the audit of the Society's annual financial statements	12	11
Total Audit Fees	12	11

There were no other services performed by the Society's auditor for 2014 (2013: £nil).

5. Directors' Emoluments

	2014 £'000	2013 £'000
Total Remuneration Paid to the Executive Directors of the Society (the Board of Management and the Executive Team) was:		
Emoluments (including pension contributions and benefits in kind)	121	93
Total Remuneration Paid to the Non Executive Directors of the Society (the Board of Management and the Executive Team) was:		
Emoluments (including pension contributions and benefits in kind):	26	16
Total Remuneration Paid to the Board of Management and the Executive Team of the Society	147	109
Total Directors' Pension Contributions	22	5
Total Emoluments (excluding Pension Contributions) of the Highest Paid Director	99	88
Emolument Payable to the Members of the Board of Management in Respect of Services Performed Throughout the Year	26	5

Notes to the Financial Statements continued

Year ended 31 March 2014

5. Directors' Emoluments continued

The remuneration of the Chief Executive is disclosed in the financial statements of the ultimate parent undertaking, Radian Group Limited. The Chief Executive is an ordinary member of the Final Salary Scheme with a 1/60th accrual rate benefit structure of the Radian Group Pension Scheme with the same conditions of membership as all other employees within that non-contributory benefit structure of the Scheme. Full details of scheme funding are disclosed in note 13. The Chief Executive has no pension arrangements to which the Society contributes, other than those relating to the Scheme.

With the exception of the Director of Radian Support, who is paid by Radian Support Limited, and the Director of Housing and Customer Services, who is paid by The Swaythling Housing Society Limited, the Directors and executive team are paid by Radian Group Limited. It is not possible to disaggregate the Directors' remuneration in respect of services performed on behalf of Radian Support Limited.

The Director of Radian Support is an ordinary member of the Radian Group Pension Scheme and participates in the Scheme on the same terms as all other employees who are also members of the same benefit structure within the Scheme.

6. Staff Costs

	2014 Number	2013 Number
The Average Number of Employees and Directors Expressed in Full Time Equivalents During the Year was:		
Care and support services	393	414
	2014 £'000	2013 £'000
Staff Costs		
Wages and salaries	11,892	11,599
Social security costs	891	885
Other pension costs	375	227
	13,158	12,711

Notes to the Financial Statements continued

Year ended 31 March 2014

7. Tangible Fixed Assets

	Building improvements £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost				
At 1 April 2013	364	392	376	1,132
Additions	–	1	–	1
At 31 March 2014	364	393	376	1,133
Accumulated Depreciation				
At 1 April 2013	362	387	376	1,125
Charge for the year	1	6	–	7
At 31 March 2014	363	393	376	1,132
Net Book Value				
At 31 March 2014	1	–	–	1
At 31 March 2013	2	5	–	7

8. Debtors: Amounts Falling Due Within One Year

	2014 £'000	2013 £'000
Trade debtors	933	1,149
Prepayments and accrued income	468	209
Other debtors	40	50
	1,441	1,408

9. Cash at Bank and Short Term Investments

	2014 £'000	2013 £'000
Cash at bank and in hand and short term investments	3,924	4,803

At 31 March 2014 cash deposits included £1,000,000 (2013: £1,500,000) of cash held on deposits not accessible within 24 hours.

Notes to the Financial Statements continued

Year ended 31 March 2014

10. Creditors: Amounts Falling Due Within One Year

	2014 £'000	2013 £'000
Trade creditors	175	121
Amount owed to parent undertakings	84	282
Taxation and social security	248	314
Other creditors and accruals	722	1,465
	1,229	2,182

11. Non-Equity Share Capital

	2014 £	2013 £
Shares of £1 each		
Issued and fully paid at 1 April	17	16
Shares issued during the year	–	1
	17	17

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

12. Reserves

	Revenue reserve £'000	Restricted reserve £'000	Total £'000
At 1 April 2013	1,746	14	1,760
Surplus for the year	7	–	7
Actuarial gain relating to the pension schemes	217	–	217
Transfer from restricted reserve	14	(14)	–
At 31 March 2014	1,984	–	1,984

The restricted reserves relate to funds set aside for Care Attendant Schemes.

Notes to the Financial Statements continued

Year ended 31 March 2014

12. Reserves continued

	Care Attendant Schemes £'000	Total £'000
Restricted Reserves		
At 1 April 2013	14	14
Transfer to revenue reserve	(14)	(14)
At 31 March 2014	–	–

13. Pensions

Radian Group Pension Scheme

On 1 October 2012 all employers within the Radian Group established RGPS, a separate pension scheme administered by the Pensions Trust. At the same time employers in the Radian Group withdrew from the Social Housing Pension Scheme (“SHPS”) and discharged those liabilities which were not transferred to RGPS. RGPS has the following benefit structures for its active members:

- 1/60th Final Salary; and
- 1/60th CARE (“Career Average Revalued Earnings”).

RGPS is closed to new members for all employers within the Radian Group though the Group has retained the ability to admit new members at its discretion.

Between the periods of 1 October 2012 until 30 September 2013 the contribution rate of the Society to RGPS was £9,413 per month plus 6.9% of members earnings. In September 2013, employers made a total accelerated deficit payment into the Scheme of £nil to improve the funding level. Employers continued to make monthly contributions of 6.9% of members earnings until 31 March 2014. As at 31 March 2014 there were 51 active members, 116 deferred members and 26 pensioner members in RGPS.

RGPS is currently undergoing an actuarial valuation and future contribution rates will not be known until this has been completed. We anticipate that employer contributions will be increased from 1 April 2015 when the rate of additional contributions will also change.

Main financial assumptions adopted for FRS 17 purposes:

	2014 %	2013 %
<i>Increases per annum</i>		
RPI	3.3	3.3
CPI	2.4	2.4
Salaries	4.3	4.3
Pension (or 5% if less)	2.4	2.4
Discount rate	4.4	4.4

Notes to the Financial Statements *continued*

Year ended 31 March 2014

13. Pensions *continued*

Flexible Retirement Plan

Under FRS 17, the accounting charge for the year for FRP represented the employer contribution. The Society's contributions to the Plan charged to the income and expenditure account for the year totalled £127,186 (2013: £nil). There were outstanding contributions as at 31 March 2014 of £117,650 (2013: £nil). From 1 October 2013 the Group automatically enrolled all eligible employees not already members of a pension scheme into FRP, increasing the operating cost of the Plan. Employees were given the opportunity to opt out.

Growth Plan

The Growth Plan ("GP") is a funded multi-employer pension plan that is not contracted out of the state scheme. As the scheme assets are co-mingled for investment purposes and benefits are paid out of the Plan's total assets, it is not possible to identify the Group's share of the underlying assets and liabilities on a reasonable and consistent basis, the accounting charge represents the employer contribution payable for the period.

As at the balance sheet date there were three active members of the GP.

The latest actuarial valuation was carried out by an independent professionally qualified actuary as at 30 September 2011 using the projected unit method. Additional employer contributions are required over 10 years to cover the past service deficit. The additional contributions required from the Group from 1 April 2013 were £70.92 per annum. These additional contributions will increase from 1 April each year by 3% per annum compound, with the first increase effective on 1 April 2014.

The Society has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of this date the estimated employer debt was £1,123 (2013: £1,333).

Royal County of Berkshire Pension Fund

The Society participates in the Royal County of Berkshire Pension Fund ("RCB"), a multi-employer defined benefit pension scheme where the deficit or surplus can be separately identified. The latest actuarial valuation of the Fund is dated 31 March 2013 and was performed by an independent qualified actuary on an actuarial basis. The Society's level of contributions for 2013/14 is 17.6% of pensionable pay (2012/13: 17.6%). Contributions will increase to 18.1% in 2014/15, 18.6% in 2015/16 and 19.2% in 2016/17.

Main financial assumptions adopted for FRS 17 purposes:

	2014 %	2013 %
<i>Increases per annum</i>		
RPI	3.6	3.4
CPI	3.0	2.6
Salaries	4.6	4.6
Pension (or 5% if less)	3.0	2.6
Discount rate	4.0	4.6

Notes to the Financial Statements continued

Year ended 31 March 2014

13. Pensions continued

NHS Pension Scheme

A number of staff employed by the Society during the year contributed to the NHS scheme. Members contribute between 5% and 8.5% of their pensionable pay depending on their total earnings and the Society's contributions represent 14% of pensionable pay.

The NHS scheme's statutory benefits are fully guaranteed by the Government. Member and employer contributions are paid to the Exchequer to pay scheme benefits. The Exchequer pays for the cost of increasing benefits due to inflation.

The cost of the scheme is equal to the employer contributions payable to the scheme for the accounting period. The total employer contribution payable in 2013/14 was £81,336 (2012/13: £97,020). There were outstanding contributions at 31 March 2014 of £6,126 (2013: £7,225).

The Assets in the Society's schemes and the expected rate of return at 31 March 2014 were:

	Radian Group Pension Scheme		Royal County of Berkshire Pension Fund		Total value £'000
	Long term rate of return %	Value £'000	Long term rate of return %	Value £'000	
Equities	7.0	2,819	6.4	354	3,173
Gilts	–	–	3.0	8	8
Bonds	3.4	1,065	4.1	135	1,200
Property	6.0	190	4.5	101	291
Other	0.5	40	4.8	244	284
Total market values of assets		4,114		842	4,956

The Assets in the Society's schemes and the expected rate of return at 31 March 2013 were:

	Radian Group Pension Scheme		Royal County of Berkshire Pension Fund		Total value £'000
	Long term rate of return %	Value £'000	Long term rate of return %	Value £'000	
Equities	7.0	3,408	6.4	391	3,799
Gilts	–	–	3.0	10	10
Bonds	3.4	–	4.1	200	200
Property	6.0	–	4.5	95	95
Other	0.5	–	4.8	258	258
Total market values of assets		3,408		954	4,362

Notes to the Financial Statements continued

Year ended 31 March 2014

13. Pensions continued

The Society's share of the net assets and liabilities of the Group's schemes is set out below:

	Radian Group Pension Scheme		Royal County of Berkshire Pension Fund		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Fair value in scheme assets	4,114	3,408	842	954	4,956	4,362
Present value of scheme liabilities	(5,454)	(4,988)	(1,655)	(1,650)	(7,109)	(6,638)
Group share of deficit in the scheme	(1,340)	(1,580)	(813)	(696)	(2,153)	(2,276)
Movements in the Fair Value of Scheme Assets:						
Opening fair value of scheme assets	3,408	–	954	863	4,362	863
Assets allocated to scheme	–	2,926	–	–	–	2,926
Expected return on scheme assets	226	79	26	47	252	126
Actuarial gains and (losses)	(81)	276	(101)	44	(182)	320
Contributions from employers	527	107	4	9	531	116
Contributions from scheme members	91	36	1	3	92	39
Benefits paid net of transfers in and including unfunded	(57)	(16)	(42)	(12)	(99)	(28)
Closing fair value of scheme assets	4,114	3,408	842	954	4,956	4,362

Notes to the Financial Statements continued

Year ended 31 March 2014

13. Pensions continued

	Radian Group Pension Scheme		Royal County of Berkshire Pension Fund		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Movements in the Present Value of Defined Obligations:						
Opening defined benefit obligation	4,988	–	1,650	1,538	6,638	1,538
Liabilities transferred to scheme	–	4,418	–	–	–	4,418
Service cost	161	84	5	12	166	96
Expenses	18	–	–	–	18	–
Interest cost	224	88	75	71	299	159
Actuarial losses/(gains)	29	378	(34)	38	(5)	416
Benefits paid net of transfers in	(57)	(16)	(42)	(12)	(99)	(28)
Contributions by scheme participants	91	36	1	3	92	39
Closing defined benefit obligation	5,454	4,988	1,655	1,650	7,109	6,638

Statement of Recognised Surpluses and Deficits

Analysis of amount recognised in Statement of Recognised Surpluses and Deficits ("STRSD"):

	Radian Group Pension Scheme		Royal County of Berkshire Pension Fund		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Actual return less expected return on pension scheme assets	329	276	(16)	44	313	320
Changes in financial assumptions underlying the present value of the scheme liabilities	39	–	(240)	(38)	(201)	(38)
Experience gains/(losses) arising on the scheme liabilities	(68)	(378)	274	–	206	(378)
Other actuarial gains/(losses)	–	–	(101)	–	(101)	–
Allocated to the Radian Group Pension Scheme during the year:						
Assets	–	2,926	–	–	–	2,926
Liabilities	–	(4,418)	–	–	–	(4,418)
Actuarial gain/(loss) in pension scheme	300	(1,594)	(83)	6	217	(1,588)

Notes to the Financial Statements continued

Year ended 31 March 2014

13. Pensions continued

Movement in deficit during the year:

	Radian Group Pension Scheme		Royal County of Berkshire Pension Fund		Total	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Deficit at beginning of the year	(1,580)	–	(696)	(675)	(2,276)	(675)
Transferred to the scheme during the year:						
Assets	–	2,926	–	–	–	2,926
Liabilities	–	(4,418)	–	–	–	(4,418)
Current service cost	(161)	(84)	(5)	(12)	(166)	(96)
Employer contributions	527	107	4	9	531	116
Net finance charge	(16)	(9)	(49)	(24)	(65)	(33)
Change in demographic assumptions	–	–	33	–	33	–
Experience loss/(gain) on defined obligation	–	–	274	–	274	–
Actuarial losses	(110)	(102)	(374)	6	(484)	(96)
Deficit at end of year	(1,340)	(1,580)	(813)	(696)	(2,153)	(2,276)

The two-year history of experience adjustments (Radian Group Pension Scheme):

	2014 £'000	2013 £'000
Difference between the expected and actual return on assets	(656)	1,145
Value of assets	39,930	32,960
Percentage of assets	(1.6%)	3.5%
Expected losses on liabilities	279	(1,256)
Present value of liabilities	(52,933)	(48,249)
Percentage of the present value of liabilities	(0.5%)	2.6%
Actuarial (losses)/gains recognised in the STRSD	(1,317)	(15,317)
Present value of liabilities	(52,933)	(48,249)
Percentage of the present value of liabilities	2.5%	31.7%

Notes to the Financial Statements continued

Year ended 31 March 2014

13. Pensions continued

The five-year history of experience adjustments (Royal County of Berkshire Pension Fund):

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Difference between the expected and actual return on assets	–	228	(290)	30	(1,830)
Value of assets	5,463	4,817	4,555	4,736	3,450
Percentage of assets	0.0%	4.7%	(6.4%)	0.6%	(53.0%)
Expected gains/(losses) on liabilities	–	–	–	88	–
Present value of liabilities	(10,536)	(9,540)	(8,716)	(7,434)	(5,611)
Percentage of the present value of liabilities	0.0%	0.0%	0.0%	(1.2%)	0.0%
Actuarial (losses)/gains recognised in the STRSD	–	(386)	(1,324)	1,045	(929)
Present value of liabilities	(10,536)	(9,540)	(8,716)	(7,434)	(5,611)
Percentage of the present value of liabilities	0.0%	4.0%	15.2%	(14.1%)	16.6%

14. Related Party Transactions

During the year there was one (2013: one) Board member who was supported by the Society. Transactions with this individual are at arm's length and are not material.

The Society, a wholly owned subsidiary of Radian Group Limited, has taken advantage of the disclosure exemption available to fellow undertakings in accordance with the terms of paragraph 3 (c) of FRS 8 "Related Party Transactions". As 90 per cent or more of the voting rights of the Society are controlled within the Group, the Society has not disclosed transactions or balances with entities which form part of the Group.

The Radian Group Pension Scheme and the RCB Pension Fund are considered to be related parties and full disclosure of these schemes is provided in note 13.

15. Ultimate Parent Company and Controlling Party

At 31 March 2014 the Society'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 within which Radian Support Limited is consolidated.

Radian Group Limited is a Registered Provider.

Group accounts have been prepared separately for the Group as at 31 March 2014 and are available from Radian, Collins House, Bishopstoke Road, Eastleigh, Hampshire, SO50 6AD.

Notes to the Financial Statements continued

Year ended 31 March 2014

16. Financial Commitments

Operating leases

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

	Property		Other	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Leases which expire:				
Within one year	461	321	52	37
Within two to five years	31	219	80	120
More than five years	6	105	–	–
	498	645	132	157

There are no capital commitments at the year end (2013: £nil).

17. Contingent Liabilities

Where an employer withdraws from a multi-employer defined benefit scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis. Radian Support Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan based on the financial position of the Plan as at 30 September 2012. As of this date the estimated employer debt including Series 3 liabilities for Radian Support Limited was £1,332.91. This reflects The Pensions Trust's understanding of how the change in the definition of the money purchase contained in the Pensions Act 2011 will be implemented. The Board does not see this debt crystallising in the foreseeable future.

