

Registered Society No: RS 28637R  
Homes and Communities Agency: LH4162

ORIEL HOUSING LIMITED

Annual Report and Financial Statements

Year ended 31 March 2016

ORIEL HOUSING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

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# ORIEL HOUSING LIMITED

## GENERAL INFORMATION

### BOARD OF MANAGEMENT

Steven Wilks    Chair  
Mandy Clarke  
Anne Costain  
Oliver Graham  
Andrea Smith

### SECRETARY

Malcolm Rule

### REGISTERED OFFICE

Collins House  
Bishopstoke Road  
Eastleigh  
Hampshire  
SO50 6AD

### BANKERS

Lloyds Bank  
25 Gresham Street  
London  
EC2V 7HN

### AUDITOR

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Global House  
High Street  
Crawley  
RH10 1DL

# ORIEL HOUSING LIMITED

## BOARD REPORT

The Board presents its annual report and the audited financial statements for the year ended 31 March 2016.

The Board report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption, as such a strategic report has not been presented.

### PRINCIPAL ACTIVITIES

Oriel Housing Limited ("the Society") is a not for profit Registered Society under the Co-operative and Community Benefit Societies Act 2014 and is a Registered Provider. It is a subsidiary of Radian Group Limited ("the Group"), a company limited by guarantee and a Registered Provider. The Society and its parent are subject to regulation by the Homes and Communities Agency.

The principal activity of the Society is construction and property development.

### CAPITAL AND TREASURY MANAGEMENT

The Society is supported by means of intercompany loans from Windsor & District Housing Association Limited ("Windsor") and The Swaythling Housing Society Limited ("Swaythling"), fellow group undertankings.

As at the 31 March 2016 all intercompany loans were £800k (2015: £280k). The loans are repayable on demand but have financial repayment dates of 4 February 2018 (Windsor) and 22 July 2018 (Swaythling). It is unlikely that Windsor and Swaythling will call upon the Society to repay the debt within one year.

The Society borrows only in sterling and so is not exposed to currency risk.

### BOARD MEMBERS AND EXECUTIVE DIRECTORS

The present Board members and the executive directors of the Society are set out on page 1.

There were no Board members appointed in the period up to the date of signing this report.

There were no Board member resignations in the period up to the date of signing this report.

### Membership and Remuneration of the Board and Group Committees

Oriel Housing Limited		Other Group roles	Board movements 01/04/15 - 31/03/16		Annualised fees	Member of Group Combined Board
			Joined	Left		
Steve	Wilks (Chair)	Member of NBC	-	-	£2,000	Y
Mandy	Clarke	Chair of RARC	-	-	£8,000	Y
Oliver	Graham	Chair of GFC, Member of NBC and RARC	-	-	£8,000	Y
Andrea	Smith	Director of Development & New Business; Director of Radian Capital Limited; Member of NBC	-	-	Nil	N
Anne	Costain	Deputy Director of Finance	-	-	Nil	N

A review of Radian's formal governance structure commenced within the year and will be concluded within 2016-17. The outcome of the review will be reflected within the next year's report and accounts.

# ORIEL HOUSING LIMITED

## BOARD REPORT (continued)

### GOING CONCERN

The Society is supported by means of intercompany loans from other Group members. A letter of support from the Society's parent, Radian Group Limited, confirms its intention to continue to provide support and resources to the Society for a period of at least twelve months after the date on which the annual report and financial statements are signed. For this reason, the Board has a reasonable expectation that the Society has access to adequate resources from within the Group to continue in existence for the foreseeable future and has no intention to liquidate the Society. This expectation supports the going concern basis of preparation of the financial statements.

### AUDITOR

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

- so far as each of the Board are aware, there is no relevant audit information of which the Society's auditor is unaware; and
- each of the Board members have taken all the steps that they ought to have taken as a Board member 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.

In preparing the Board Report, the Society has taken advantage of the small companies exemptions available under Companies Act 2006. The Society has elected not to prepare a Strategic Report.

The Board Report was approved by the Board on 28 July 2016 and signed on its behalf by:



Oliver Graham  
Board member

## ORIEL HOUSING LIMITED

### STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Registered Society and Registered Provider legislation in the United Kingdom requires the Board to prepare financial statements for each reporting date 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 Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- follow applicable United Kingdom Accounting Standards and the Housing SORP 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Housing SORP 2014, the Accounting Direction for Social Housing in England from April 2015, Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Housing SORP 2014.

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

## ORIEL HOUSING LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIEL HOUSING LIMITED

We have audited the financial statements of Oriel Housing Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 its 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 the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Accounting Direction for Social Housing in England from April 2015, Co-operative and Community Benefit Societies Act 2014 and the Housing Regeneration Act 2008.

#### Matters on which we are required to report by exception

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

- 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report and in preparing the Board Report.

  
Deloitte LLP

Chartered Accountants and Statutory Auditor  
London, United Kingdom

28 July 2016

ORIEL HOUSING LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
Year ended 31 March 2016

	Note	2016 £'000	2015 £'000
Turnover		1,356	-
Operating costs	3	<u>(1,377)</u>	<u>(2)</u>
OPERATING (DEFICIT)		(21)	(2)
Finance costs		<u>(8)</u>	<u>-</u>
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		(29)	(2)
Tax on deficit on ordinary activities	5	<u>-</u>	<u>-</u>
(DEFICIT) ON ORDINARY ACTIVITIES FOR THE YEAR		<u>(29)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE LOSS		<u>(29)</u>	<u>(2)</u>

All activities derive from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.



ORIEL HOUSING LIMITED

STATEMENT OF FINANCIAL POSITION  
31 March 2016

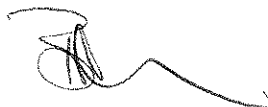
	Note	2016	2015
		£'000	£'000
<b>FIXED ASSETS</b>			
Investment in associates	7	-	-
Fixed assets	8	11	-
<b>TOTAL FIXED ASSETS</b>		<u>11</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Work in progress	9	179	197
Receivables	10	583	4
Cash	11	146	79
		<u>908</u>	<u>280</u>
<b>PAYABLES: amounts falling due within one year</b>	12	<u>(950)</u>	<u>(282)</u>
<b>NET CURRENT (LIABILITIES)</b>		<u>(42)</u>	<u>(2)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(31)</u>	<u>(2)</u>
<b>EQUITY</b>			
Called up share capital	13	-	-
Revenue reserve		<u>(31)</u>	<u>(2)</u>
		<u>(31)</u>	<u>(2)</u>

The notes on pages 9 to 14 form part of these financial statements.

The financial statements of Oriel Housing Limited, Registered Society number 28637R, on pages 6 to 14 were authorised and approved for issue by the Board on 28 July 2016 and signed on its behalf by



Oliver Graham  
Board member



Anne Costain  
Board member



Malcolm Rule  
Secretary

ORIEL HOUSING LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Called up Share Capital £	Revenue reserve £
At 1 April 2014	6	19
Shares issued during the year	4	-
Share surrendered during the year	(6)	-
Total comprehensive loss for year	-	(1,994)
At 31 March 2015	<u>4</u>	<u>(1,975)</u>
Total comprehensive loss for year	-	(29,000)
At 31 March 2016	<u><u>4</u></u>	<u><u>(30,975)</u></u>

# ORIEL HOUSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

### 1. LEGAL STATUS

Oriel Housing Limited is a Registered Society under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulatory Committee of the HCA.

### 2. ACCOUNTING POLICIES

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

#### Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") and with the Companies Act 2006. The financial statements have been prepared under the historical cost convention except for the modification to amortised cost for certain financial instruments, and for investment properties which are included at fair value as specified in the accounting policies below. The financial statements have been prepared in accordance with the SORP 2014, the Accounting Direction for Private Registered Providers of Social Housing in England from April 2015, the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008.

This is the first year in which the financial statements have been prepared under FRS 102. The prior year financial statements have been restated for material adjustments on adoption of FRS 102 in the current year. Refer to note 16 for details of the transition.

#### Going concern

The financial statements have been prepared on a going concern basis. The going concern basis is discussed in the Board Report on page 3.

#### Cash flow statement

Under FRS 102 paragraph 1.12(b), the Society is exempt from the requirement to prepare a cash flow statement on the grounds that a parent includes the Society in its own consolidated financial statements.

#### Consolidation

The consolidated financial statements of Radian Group Limited incorporate the financial statements of all members of the Group, within which this Society is included.

#### Turnover

Turnover represents income receivable from the provision of construction and development services. All turnover is derived from activities within the United Kingdom.

#### Finance costs

Finance costs relate to interest payments on the intercompany loan. This is paid on a quarterly basis at Libor plus 1%.

#### Taxation

The charge for taxation is based on the surplus for the year and takes into account deferred taxation. Deferred tax is provided for on differences between the treatment of certain items for accounting and taxation purposes. It is accounted for to the extent that a liability or asset is expected to be payable or recoverable in the foreseeable future.

#### Fixed Assets

Fixed assets comprise of plant and equipment, which are held at cost less depreciation.

ORIEL HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2016

2. ACCOUNTING POLICIES (continued)

Depreciation

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

Motor vehicles, yard plant and machinery 25%

Investments in associates

Investments in associates are accounted for using the cost model. The investment is measured at cost less any accumulated impairment losses. The shares in these associates carry no right to dividend, or provision for redemption or a distribution on winding up.

Work in progress

Properties under construction are recognised as the revenue and costs associated with the stage of completion of the contract have been incurred.

Critical accounting judgments and key sources of estimation uncertainty

Preparation of the financial statements often requires management to make significant judgements and estimates. The key areas where estimates have been used include estimating the stage of completion of construction contracts and work in progress. A change in these estimates can result in timing difference in recognition of these amounts. All efforts are made to use all available information to arrive at the best estimate possible.

3. OPERATING COSTS

	2016 £'000	2015 £'000
<b>Activities other than social housing:</b>		
Management recharge	(198)	(2)
Construction and development	(1,179)	-
Total operating costs	<u>(1,377)</u>	<u>(2)</u>

4. DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 £'000	2015 £'000
Deficit on ordinary activities before taxation is stated after charging:		
Depreciation of fixed assets	<u>1</u>	<u>-</u>
The analysis of auditor's remuneration, borne by another group entity, is as follows:		
Fees payable (excluding VAT) to the Society's auditor for the audit of the Society's annual financial statements	<u>6</u>	<u>5</u>
Total audit fees	<u>6</u>	<u>5</u>
Fees payable to the Society's auditor in respect of other services	<u>-</u>	<u>-</u>

The audit fees are borne by Swaythling Housing Society Limited on behalf of Oriel Housing Limited.

# ORIEL HOUSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2016

### 5. TAXATION

	2016 £'000	2015 £'000
Taxation		
United Kingdom corporation tax at 20% (2015: 21%)	-	-

No tax credit is recognised in respect of increased tax losses arising during the period.

### 6. BOARD MEMBERS' REMUNERATION AND STAFF COSTS

The remuneration of the Chief Executive of the Group is disclosed in the financial statements of the ultimate parent entity, 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 the scheme funding are disclosed within the financial statements of Radian Group Limited in note 20. The Chief Executive has no pension arrangements to which the Society contributes, other than those relating to the Scheme.

The Chair of the Board was paid £2,000 (2015: £2,000) by The Swaythling Housing Society Limited as an agent for the Radian Group Limited. The executive directors serving on the Society Board are either paid by Radian Group Limited or The Swaythling Housing Society Limited.

The Society had no employees in the year other than the Board members.

### 7. INVESTMENT IN ASSOCIATED ORGANISATIONS

The investments in associates are as follows:

	2016 £	2015 £
The Swaythling Housing Society Limited	1	1
Portal Housing Association Limited	1	1
	<u>2</u>	<u>2</u>

ORIEL HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FIXED ASSETS

	Plant & Equipment £'000	Total £'000
Cost		
At 1 April 2015	-	-
Additions	12	12
At 31 March 2016	<u>12</u>	<u>12</u>
Depreciation		
At 1 April 2015	-	-
Charge for the year	(1)	(1)
At 31 March 2016	<u>(1)</u>	<u>(1)</u>
Net book value		
At 31 March 2016	11	11
At 31 March 2015	<u>-</u>	<u>-</u>

9. WORK IN PROGRESS

	2016 £'000	2015 £'000
Properties under construction	179	197
	<u>179</u>	<u>197</u>

10. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Receivables	583	4
	<u>583</u>	<u>4</u>

11. CASH

	2016 £'000	2015 £'000
Cash	146	79
	<u>146</u>	<u>79</u>

# ORIEL HOUSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Amounts owed to Group subsidiaries	923	280
Other payables	27	2
	<u>950</u>	<u>282</u>

Interest is payable on the amounts owed to Group subsidiaries at a rate of Libor plus 1%. This is paid every quarter. Whilst amounts owed to Windsor and Swaythling are repayable within one year, it is unlikely that the Society will be called upon to repay the debt within one year.

### 13. CALLED UP SHARE CAPITAL

The share capital is held by the Board members of the Society.

	2016 £	2015 £
Shares of £1 each		
Issued and fully paid at 1 April	4	6
Shares issued in year	-	4
Shares surrendered during the year	-	(6)
Shares in issue at 31 March	<u>4</u>	<u>4</u>

The shares do not have a right to any dividend or distribution in winding-up, and are not redeemable.

### 14. FINANCIAL INSTRUMENTS

The carrying value of Society's financial assets are summarised by category as follows:

	2016 £	2015 £
<b>Financial assets</b>		
Equity instruments measured at cost less impairment		
- Investment in associated organisations (note 7)	2	2
	<u>2</u>	<u>2</u>

### 15. RELATED PARTY TRANSACTIONS

The Society, a wholly owned subsidiary of Radian Group Limited, has taken advantage of the disclosure exemption available to fellow subsidiaries in accordance with the terms of paragraph 33.1A of FRS 102. As a wholly owned subsidiary of a member of the Group, the Society has not disclosed transactions or balances with entities which form part of the Group.

### 16. TRANSITION TO FRS 102

The company has adopted FRS 102 for the year ended 31 March 2016. The last financial statements under the previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. The transition to FRS 102 has not resulted in any change in policies and therefore there were no reserves restatements required.

## ORIEL HOUSING LIMITED

### 17. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Oriel Housing Limited regards Radian Group Limited as its ultimate parent and ultimate controlling party. Radian Group Limited is the parent of both the largest and smallest group into which Oriel Housing Limited is consolidated. Radian Group Limited is a company limited by guarantee, incorporated in England, and is also a Registered Provider.

Group financial statements have been prepared separately for the Group as at 31 March 2016 and are available from Radian, Collins House, Bishopstoke Road, Eastleigh, Hampshire, SO50 6AD.