

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

**ORIEL HOUSING LIMITED**

**Annual Report and Financial Statements**

**Year Ended 31 March 2018**

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ORIEL HOUSING LIMITED

**GENERAL INFORMATION**

**BOARD OF MANAGEMENT**

Carol Bode	Chair
Jonathan Martin Hurst	
Mandy Clarke	
Michael Sweeney	Appointed 18/08/2017
Richard Williams	
Simon Porter	

**SECRETARY**

Malcolm Rule

**REGISTERED OFFICE**

Collins House  
Bishopstoke Road  
Eastleigh  
Hampshire  
SO50 6AD

**BANKERS**

Lloyds Bank  
25 Gresham Street  
London  
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**AUDITOR**

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

## HIGHLIGHTS

### Introduction from the Group Chair

There's never a quiet year in housing, and this year has been no exception. It has continued to be a year of both economic and political uncertainty, and we know that our business strategy must respond to the challenging environment we find ourselves in.

Over the last year the Board took a number of active steps to make changes to our business in order to better position ourselves for the future. As a result we are in a period of transition and are embracing a significant transformation programme that we will continue to develop and deliver over the coming year. We explored the opportunity of a partnership and considered options that could help deliver additional benefits to our residents and the local communities that we serve; however, upon reflection, we decided that we have a strong future as an independent organisation and are in a robust position to deliver our priorities.

We have continued to deliver homes of a variety of tenures across the South of England, and we remain committed to doing everything we can to provide more high-quality homes for more people. Our financial strength continues to give us options to build more homes and continue investing in our local communities, and we remain committed to reviewing our efficiencies as a business, putting value for money at the heart of everything we do.

We are responding positively to the government's challenge to deliver more homes and we welcomed the government's announcement in October that it will provide an extra £2bn for affordable housing as it will support us, and others in our sector, in our drive to build more homes. We all have a common goal – to help solve the housing crisis – and as it continues to deepen we need to combine our efforts to address the issues at hand and raise its importance at all levels.

In early 2018 we saw the completion of our In Depth Assessment by the Regulator of Social Housing. We were assessed at V1 for financial viability and G2 for governance. Whilst both assessments are compliant ratings we were disappointed to be assessed at G2, but recognise the need to further develop the reporting and monitoring of our development programme and other associated matters. However, we were pleased that our management systems and internal controls across the organisation were recognised as good. We were grateful for the regulator's input and have every confidence in our plans to return to G1 status in the near future.

Our approach to the coming year is an ambitious one. We have launched our five-year Corporate Strategy 2018-2023 with a focus on investing in developing thriving communities that improve our residents' prosperity and wellbeing over the long term. Our mission will continue to be about offering a variety of rental and home ownership products and services to meet customer, community, and housing need. This will build on the work that we have carried out successfully in recent years, helping to tackle the ongoing housing crisis whilst continuing to develop healthy communities that give our customers the ability to maintain their independence.

I continue to be proud of all that we do to help and support our current and future customers. Whether that be by enhancing the services we currently offer or building more homes for the people that need them, it will all prove pivotal in supporting our local communities. We would not be in the position we are today without the support and dedication of all our staff, our current and past group combined board and executive board members, as well as the support we receive from our residents and tenants. I would like to personally thank them all for their continued commitment and support to Radian's future.

**HIGHLIGHTS (continued)**

**Radian at a Glance**

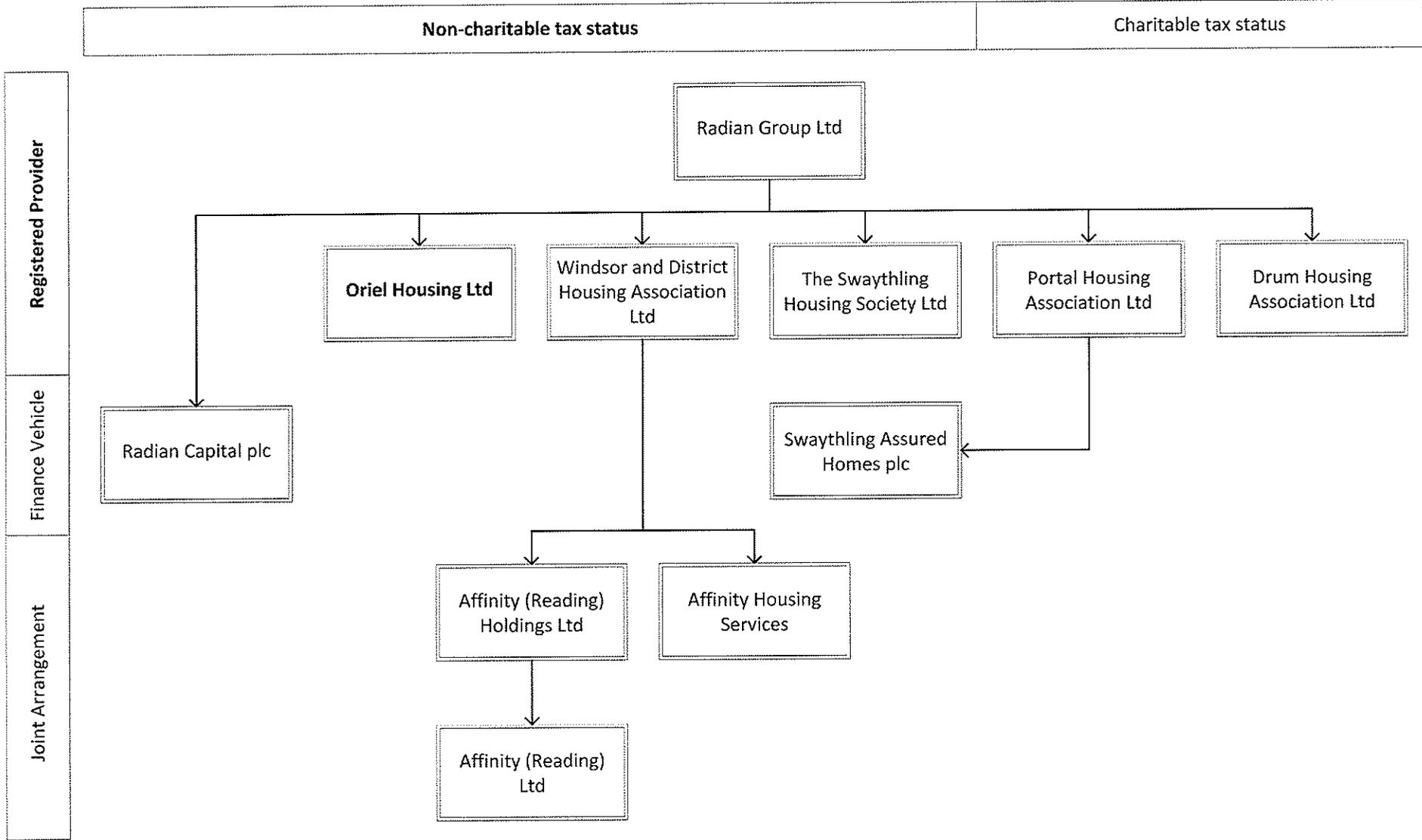
Radian is an award winning provider of over 19,000 social and affordable rented homes across eight counties. We also offer properties for market sale, market rent and affordable home ownership. A company with a heart, we invest in our social enterprise schemes providing employment, support, and training to our customers and communities.

We strive to create conditions where our residents, communities, and staff can excel. We aim for brilliance in all of the services that we offer, and our financial strength allows us to invest in working with our local partners to help us all meet our strategic objectives.

Radian continues to promote an agenda of growth to provide more homes and opportunities to meet housing needs in our local communities. As part of this commitment, Radian continues to promote sustainable and well designed homes and communities. This has been recognised by the wider industry through a number of significant design and sustainability awards for our new developments, whilst resident satisfaction has risen year on year.

HIGHLIGHTS (continued)

Our Group Structure



## **STRATEGIC REPORT**

### **Business Overview**

Oriel Housing Limited handed over two developments to The Swaythling Housing Society Limited during the year on the site of the former Potters Arms public house in Farnborough and at Hilltop Close in Ascot.

The former Potters Arms development was for 10 affordable home ownership properties at a total cost of £2.7m. The Hilltop Close development was for two affordable home ownership properties at a total cost of £0.5m.

### **Our Developments**

Work was started on three further developments in the year at Bishopstoke (Eastleigh), the site of the former Grove Tavern public house in Woolston (Southampton) and at Castle Farm (Windsor).

The Bishopstoke development, being built for The Swaythling Housing Society Limited, is to be marketed as Oakfield Grove and is for 16 affordable home ownership properties of two, three and four bedroom homes. Due for completion in summer 2019, the development will cost £2m.

The Grove Tavern development, also being built for The Swaythling Housing Society Limited, is for six four bedroom family homes all available for affordable home ownership. Due for completion in summer 2018, the development will cost just under £2m including land acquisition costs.

The Castle Farm site in Windsor is for groundwork on a former caravan park owned by the Windsor and District Housing Association Limited. Once the groundwork is completed, planning permission will be sought for 25 homes of mixed tenure.

## BOARD REPORT

### Group Combined Board

The Group Combined Board meets at least quarterly to consider all aspects of strategy, performance and compliance for the Group as a whole. It is made up of nine members, including Radian's chief executive and director of Finance and IT.



**Carol Bode – Chair (July 2014)**

Carol is an experienced organisation development professional operating for 30 years in the retail, financial services, and service sectors. Over the last 12 years she has developed a portfolio of non-executive director roles within the housing, health, and voluntary sectors. Previous roles have included chair of Hampshire Partnership NHS Foundation Trust, deputy chair of The Hillingdon Hospitals NHS Foundation Trust, independent chair of Hampshire's Safeguarding Adults Board, as well as being an associate to several management consultancies providing board level effectiveness, governance, and development reviews. Carol is currently the chair of Wiltshire Health and Care LLP, chair of Basingstoke Voluntary Action, and a serving magistrate in North Hampshire.



**Richard Williams – Vice Chair (September 2013)**

Richard was recently the chief executive of Rangeford Retirement Developments and Rangeford Care, a developer and operator of retirement villages and a domiciliary care provider. Prior to that he was a managing director with McCarthy & Stone where he worked to develop purpose-built accommodation for the over 60s. He has also been a director with St Andrews Healthcare and Aldi Stores Limited. His earlier roles within Aldi, which included being property director, helped to develop his extensive knowledge and experience across a number of business sectors. He currently runs a property consultancy, utilising his development and construction experience from both the commercial and residential sectors.



**Jayne Beeson (September 2011)**

Jayne is a Fellow member of RICS with a degree in quantity surveying. She has over 35 years experience in the construction industry working with clients in both the public and private sectors, most recently as a director of Aecom (formerly Davis Langdon).



**Simon Porter (April 2014)**

Simon is a qualified chartered accountant with over 30 years experience in the financial sector specialising in audit, transaction support and risk management. He currently has a small portfolio of non-executive roles, including University Hospital Southampton NHS Foundation Trust and Octavia Housing.

**BOARD REPORT (continued)**

**Group Combined Board (continued)**



**Mandy Clarke (September 2013)**

Mandy is a chartered HR professional with over 25 years' international and multi-sector experience. She has undertaken a number of senior and executive roles globally, and operates a management consulting business. Mandy is a non-executive director at GreenSquare Group and at IPSE (the Association of Independent Professionals and the Self Employed). Mandy was

formerly the chair of Wiltshire Air Ambulance.



**Martin Hurst (March 2017)**

Martin is a professional economist with 20 years' experience as a senior civil servant including as senior advisor to the prime minister on environment, housing and planning and as commercial and estates director for a government department. Previously vice chair of Wandle Housing Association, he served a further five years as a board member and as chair of development. He is currently

chair of finance and treasury at BPHA and chair of the government's Southern Regional Flood and Coastal Defence Committee.



**Ashley West (March 2017)**

Ashley has enjoyed a successful career in banking and commerce, holding a number of roles including finance director at Schroders and the Continental Bank of Chicago. Over the last 15 years he has built up a portfolio of non-executive roles, including chair roles at mhs homes and East Thames Group. He is currently deputy chair and chair of the Audit Committee of Dartford Gravesham and

Swanley CCG, as well as chair of Medway Communities Estates Limited.



**Mick Sweeney, Chief Executive (July 2017)**

Mick has been in the housing sector all his working life, starting in 1976 as a graduate trainee at the Housing Corporation. From there he moved to Sanctuary Housing as project manager, overseeing developments in London and East Anglia. He later joined Community Housing Association as development manager, progressing to chief executive and, following its merger with

Toynbee Housing Association, subsequently became chief executive of the newly created One Housing Group. He took up the position of interim chief executive at Radian in July 2017.



**Anne Costain, Director of Finance and IT (October 2017)**

Anne is a chartered accountant and qualified corporate treasurer. Starting her career at Aon, she has worked in a number of organisations including De La Rue as divisional finance director. She joined Radian in August 2012 as deputy finance director, formally taking on the role of finance and IT director in April 2017.

**BOARD REPORT (continued)**

**Executive Board**

Mick Sweeney and Anne Costain are members of both the Group Combined Board and Executive Board. Anne Costain has been a member of the Executive Board since August 2016.



**Peter Evans, Director of Technical Services (October 2005)**

Peter is a qualified surveyor and has been working in construction for over 30 years, gaining experience in a variety of roles and sectors. Before Radian, he worked for the National Trust as an historic building surveyor, winning two Chartered Institute of Builders Awards in both contractual and technology studies. As director of technical services at Radian he is responsible for asset management, maintenance, and facilities management.



**Ralph Facey, Director of Housing and Customer Services (January 2005)**

Ralph has over 30 years housing experience in a range of different organisations, 19 years of which have been at chief housing officer or director level. Before joining Radian, Ralph oversaw the formal transfer of the Castle Vale estate in Birmingham to a Housing Action Trust and worked in a range of leadership roles in four local authorities. Ralph was appointed as group director of housing and customer services in December 2009 and is a member of the Chartered Institute of Housing.



**Alan Williams, Director of Development (October 2017 - April 2018)**

Alan joined the Group on a short-term basis in October 2017 as director of development, being replaced by James Pennington as acting director of development in April 2018.

## **BOARD REPORT (continued)**

### **Report of the Board**

The Board presents its annual report and the audited financial statements for the year ended 31 March 2018.

### **Principal Activities**

Oriel Housing Limited is a registered provider with the Regulator of Social Housing..

The principal activity of the Company is the construction and development of housing. Cost plus contracts are entered into with fellow subsidiaries on a scheme by scheme basis.

The Company does not own or manage any stock.

### **Board Members and Executive Directors**

Radian operates via a combined board structure, known as the Group Combined Board, which is formed from the individual boards of all registered providers in the Group. The Group Combined Board takes decisions on behalf of the Group as a whole. Where necessary, decisions effecting individual subsidiaries are formerly enacted by the individual entity boards.

The chair, group chief executive, and chair of the Audit and Risk Committee are common members across all six entity boards. Two distinct sets of members complete each entity board, their membership determined by the charitable tax status of the entity to ensure protection of interest within the Group.

Group combined board members and executive board members are set out on pages 6 to 8. Board members are drawn from a wide background and contribute a range of professional, commercial, and other relevant experience and expertise. During 2017/18 there were a number of changes to the Executive Board as three long standing members, including the chief executive, stood down. Permanent and interim appointments were made to perform duties on a day-to-day basis and help prepare Radian for the new Corporate Strategy 2018-23.

Insurance policies in place indemnify board members and officers against liability when acting for Radian.

The executive board members, including those who are group combined board members, hold no interest in the Group's shares and act within the authority delegated to them by the Board under defined terms of reference. The executive board members act on behalf of all Group entities.

### **Executive Service Contracts**

Three members of the Executive Board are employed on the same terms as other staff, with the exception of a discretionary annual bonus scheme, overseen by the Remuneration and Nominations Committee. These executive board members are members of the Radian Group Pension Scheme (RGPS) and they participate in the RGPS on the same terms as all other employee members.

The other members of the Executive Board as at 31 March 2018 were interim appointees whose terms of contract were agreed at the time of engagement. The Group Combined Board is responsible for approving any bonus awards or changes in the chief executive's compensation or contract.

**BOARD REPORT (continued)**

**Executive Service Contracts (continued)**

Details of the benefits received by executive board members, including those who have been engaged on an interim basis, are set out on page 20.

**Post Balance Sheet Events**

There have been no events since the reporting date that the Board consider have had a significant effect on the Company's financial position.

**Going Concern**

Whilst the Company has made an operating surplus in the year, finance costs incurred on an intercompany loan caused it to report a deficit before tax. The loan facility remains in place if required for operational purposes, although there was no outstanding balance at the reporting date.

The Group's budget and business plans outline a continued improvement in financial performance. After making enquiries, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and the financial statements are signed.

For this reason, the Company continues to adopt the going concern basis in the financial statements.

**Disclosure of Information to Auditor**

At the date when this report is approved each of the board members confirm the following:

- So far as each board member is aware, there is no relevant audit information needed by the company's auditor in connection with preparing their report of which the company's auditor is unaware; and
- Each board member has taken all the steps that they ought to have taken as a board member to make themselves aware of any relevant audit information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

**External Auditor**

A resolution to appoint BDO LLP will be proposed at the forthcoming annual general meeting.

BDO LLP has indicated their willingness to continue in office and a resolution to reappoint them for the coming year will be proposed at the annual general meeting.

The Board Report was approved by the Board on 26 July 2018 and signed on its behalf by the chair.



**Carol Bode**  
Chair

## STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Board is responsible for preparing the report and the financial statements in accordance with applicable law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

Company and registered provider legislation in the United Kingdom requires the Board to prepare financial statements for each reporting period which give a true and fair view of the state of affairs of the Company at the end of the year and of the surplus or deficit of the Company 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 judgments and accounting estimates that are reasonable and prudent;
- Follow applicable United Kingdom Accounting Standards and the Housing SORP 2014: Statement of Recommended Practice subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Prepare a board report and a strategic report which comply with the requirements of the Companies Act 2006.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Housing SORP 2014, the Accounting Direction for Social Housing in England from April 2015, the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of 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 is 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 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 ORIEL HOUSING LIMITED

### Opinion

We have audited the financial statements of Oriel Housing Limited ('the Company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of the Company's surplus 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 Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other Information

The board members are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORIEL HOUSING LIMITED (continued)**

### **Other Information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

### **Matters on Which we are Required to Report by Exception**

We have nothing to report in respect of the following matters where we are required by the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- The information given in the Board report for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- Adequate accounting records have not been kept by the Company; or
- A satisfactory system of control has not been maintained over transactions; or
- The Company financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

### **Responsibilities of the Board**

As explained more fully in the statement of board responsibilities set out on page 11, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board members are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORIEL HOUSING LIMITED (continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of Our Report**

This report is made solely to the members of the Company, as a body, in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Company'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 Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Cliftlands (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, United Kingdom



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

**STATEMENT OF COMPREHENSIVE INCOME**  
**Year ended 31 March 2018**

	<b>Note</b>	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Turnover		11,025	973
Cost of sales		(10,692)	(893)
Operating costs		(196)	(249)
<b>Operating surplus/(deficit)</b>		<b>137</b>	<b>(169)</b>
Finance costs	3	(146)	(72)
<b>Deficit on ordinary activities before and after tax</b>	<b>4</b>	<b>(9)</b>	<b>(241)</b>

All activities derive from continuing operations.

The notes of pages 18 to 23 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Other fixed assets	8	5	8
Investments	9	0	0
		<u>5</u>	<u>8</u>
<b>Current assets</b>			
Properties for sale		-	7,009
Receivables		1,092	648
Cash		2,361	544
		<u>3,453</u>	<u>8,201</u>
Payables: amounts due within one year	10	(3,739)	(1,743)
<b>Net current (liabilities)/assets</b>		<u>(286)</u>	<u>6,458</u>
<b>Total assets less current liabilities</b>		<u>(281)</u>	<u>6,466</u>
Payables: amounts due after one year	11	-	(6,738)
<b>Net assets</b>		<u>(281)</u>	<u>(272)</u>
<b>Capital and reserves</b>			
Share capital	12	0	0
Revenue reserve		(281)	(272)
<b>Shareholder's funds</b>		<u>(281)</u>	<u>(272)</u>

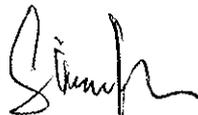
The notes of pages 18 to 23 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Oriel Housing Limited, registered society number 28637R, on pages 15 to 23 were authorised and approved for issue by the Board on 26 July 2018 and signed on its behalf by:



**Carol Bode**  
Chair



**Simon Porter**  
Board Member



**Malcolm Rule**  
Secretary

## STATEMENT OF CHANGES IN RESERVES

	Share Capital £'000	Revenue Reserve £'000	Total £'000
<b>At 1 April 2016</b>	<b>0</b>	<b>(31)</b>	<b>(31)</b>
Deficit on ordinary activities after tax	-	(241)	(241)
<b>At 31 March 2017</b>	<b>0</b>	<b>(272)</b>	<b>(272)</b>
Deficit on ordinary activities after tax	-	(9)	(9)
<b>At 31 March 2018</b>	<b>0</b>	<b>(281)</b>	<b>(281)</b>

The notes of pages 18 to 23 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 1. LEGAL STATUS

The Company is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing as a social housing provider.

### 2. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements of the Group and Company have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for registered social housing providers and comply with the Accounting Direction for private registered providers of social housing 2015. The financial statements are presented in pounds sterling and have been prepared on the historical cost basis except for a modification to amortised cost or a fair value basis for certain financial instruments and investment properties, as specified in the accounting policies below.

#### Going Concern

The financial statements have been prepared on a going concern basis, details of which can be found in the Board Report on page 10.

#### Disclosure Exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 102 paragraph 1.12(b) on the basis that they are included in the consolidated financial statements:

- Statement of cash flows;
- Remuneration of key management personnel; and
- Detailed financial instruments disclosures.

#### Related Parties

As a subsidiary of its parent, Radian Group Limited, whose results and balances are included in the consolidated financial statements, the Company has not disclosed transactions or balances with entities which form part of the Group and which are also registered providers.

#### Valuation of Investments

Investments in associates and subsidiaries are accounted for using the cost model.

#### Turnover

Turnover represents income receivable from the provision of construction and development services. For standard contracts only partially completed at the reporting date, turnover represents the fair value of the service provided to date based on the stage of completion at the reporting date. For golden brick contracts, no turnover is recognised until the appropriate stage of completion as defined in the contract. Payments received in advance are recognised as deferred income within payables and due within one year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**2. ACCOUNTING POLICIES (continued)**

**Work in Progress**

Properties under construction under golden brick contracts where the appropriate stage of completion has not been reached are classified as work in progress as a current asset at the reporting date. The value of the asset recognised is equal to the costs of construction incurred at the reporting date.

**Cost of Sales**

Cost of sales represent direct labour, materials and subcontractor costs incurred in providing construction and development services.

**Value Added Tax (VAT)**

The Company is VAT registered and makes zero-rated supplies of construction services and partially constructed residential buildings, enabling it to reclaim its input VAT.

**Finance Costs**

Finance costs relate to interest payments on an intercompany loan. Interest is paid on the outstanding loan balance on a quarterly basis in arrears at LIBOR plus 3%.

**Tax**

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Receivables and Payables**

Receivables and payables with no stated interest rate, and receivable and payable within one year, are recorded at transaction price.

**Land**

Land acquired or donated to the Company will be accounted for depending on its intended use. Where the land is to be used for the provision of social housing, or where no specific intended use exists, it will be treated as a fixed asset. When land is held for speculative purposes, for capital gain or a commercial rental return it will be accounted for as an investment property.

**Fixed Assets**

Fixed assets comprise vehicles, plant and equipment held at cost less depreciation.

**Depreciation**

Depreciation is charged on a straight line basis over the four year expected useful lives of vehicles, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

## 3. FINANCE COSTS

	2018 £'000	2017 £'000
<b>On intercompany loan at amortised cost</b>		
Interest cost	146	72
	<u>146</u>	<u>72</u>

## 4. DEFICIT ON ORDINARY ACTIVITIES BEFORE TAX

	2018 £'000	2017 £'000
<b>Deficit on ordinary activities before tax is stated after charging</b>		
Depreciation of fixed assets	3	3
<b>The analysis of auditor's remuneration is as follows</b>		
Fees payable (excluding VAT) to the Company's auditor for the audit of the Company's annual financial statements	6	6

The audit fees for the Company have been borne by The Swaythling Housing Society Limited.

## 5. TAX

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

## 6. DIRECTORS' EMOLUMENTS

The directors are defined as the board members and the Executive Board. It is not possible to disaggregate their remuneration in respect of services performed on behalf of the constituent group entities. Their remuneration is disclosed within the Group accounts. The board members of Oriel Housing Limited, including details of the other roles they perform on behalf of the constituent group entities, are shown below:

	Appointed	Resigned	Audit and Risk Committee	Treasury and Investment Committee	Remuneration and Nominations Committee
Carol Bode (C)	01/10/16				M
Jonathan Martin Hurst	16/03/17			C	M
Mandy Clarke (SID)	01/08/14		M		C
<i>Michael Sweeney</i>	<i>18/08/17</i>			<i>M</i>	
Richard Williams (VC)	01/10/16			M	M
Simon Porter	01/10/16		C	M	M

C: Chair, VC: Vice Chair, SID: Senior Independent Auditor, M: Member, *Italics: Executive Director*

## 7. STAFF COSTS

The company had no employees in the year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

## 8. OTHER FIXED ASSETS

	Vehicles, plant and equipment £'000
<b>Cost</b>	
At 1 April 2017	12
<b>At 31 March 2018</b>	<b>12</b>
<b>Accumulated depreciation</b>	
At 1 April 2017	(4)
Charge for the year	(3)
<b>At 31 March 2018</b>	<b>(7)</b>
<b>Net book value</b>	
<b>At 31 March 2018</b>	<b>5</b>
<b>At 31 March 2017</b>	<b>8</b>

## 9. INVESTMENTS

	2018	2017
	£	£
<b>Investments in associates</b>		
The Swaythling Housing Society Limited	1	1
Portal Housing Association Limited	1	1
<b>Investments in subsidiaries</b>		
Wayfarer Limited	1	1
	<b>3</b>	<b>3</b>

## 10. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Amounts owed to Group undertakings	3,338	481
Contract retentions	17	7
Trade payables	14	1,168
Accruals	370	19
Other payables	-	68
	<b>3,739</b>	<b>1,743</b>

Whilst Amounts owed to Group undertakings are repayable within one year, it is unlikely that the obligation to repay the debt within one year will be enforced.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

## 11. PAYABLES: AMOUNTS DUE AFTER ONE YEAR

	2018 £'000	2017 £'000
Contract retentions	-	38
Loans and borrowings	-	6,700
	<u>-</u>	<u>6,738</u>

The 2017 loans and borrowings balance represent a loan facility from Portal Housing Association Limited of £9m, which commenced on 17 November 2016 and expires three years from that date. Interest is charged at LIBOR +3% which is payable every quarter.

Loans and borrowings are repayable as follows:

	2018 £'000	2017 £'000
<b>In a single instalment</b>		
Two to five years	-	6,700
	<u>-</u>	<u>6,700</u>

## 12. SHARE CAPITAL

	2018 £	2017 £
<b>Shares of £1 each</b>		
Issued and fully paid at 1 April	6	4
Shares issued during the year	-	4
Shares cancelled during the year	-	(2)
<b>Shares issued and fully paid at 31 March</b>	<u>6</u>	<u>6</u>

The share capital of the Company consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. On ceasing to be a shareholder, the relevant share is cancelled and the amount paid thereon becomes the property of the Company. Therefore, all shareholdings relate to non-equity interests.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

## 13. FINANCIAL INSTRUMENTS

	At historic or amortised cost	
	2018 £'000	2017 £'000
<b>Financial assets</b>		
Investments	0	0
Receivables	1,092	648
Cash	2,361	544
	<b>3,453</b>	<b>1,192</b>
<b>Financial liabilities</b>		
Payables: amounts due within one year	(3,739)	(1,743)
Payables: amounts due after one year	-	(6,738)
Share capital	0	0
	<b>(3,739)</b>	<b>(8,481)</b>

## 14. RELATED PARTY TRANSACTIONS

## Transactions with Other Entities or Jointly Controlled Operations

The Company, a subsidiary of Radian Group Limited, has taken advantage of the exemption contained in FRS 102 33.1A not to disclose transactions or balances with entities which are wholly owned by the Group.

This is the case except for transactions or balances with the following Group subsidiaries:

- Radian Support Limited;
- Radian Capital plc; and
- Swaythling Assured Homes plc.

These entities are not regulated by the Regulator of Social Housing and the Accounting Direction for Social Housing requires registered providers to disclose transactions and balances with non-regulated related parties which are wholly owned by the Group.

Transactions and balances with subsidiaries are eliminated in the Group financial statements.

There were no such transactions during the year or balances at the reporting date.

## 15. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

At 31 March 2018 the Company's ultimate parent and ultimate controlling party was Radian Group Limited, a company limited by guarantee and incorporated in England.

Radian Group Limited is a registered provider and is the parent of both the largest and smallest Group into which the Company is consolidated.

Group financial statements can be obtained from Radian Group Limited, Collins House, Bishopstoke Road, Eastleigh, Hampshire, SO50 6AD.

