Financial Statements

31 March 2019

Valleys to Coast Housing Limited

(Registered Society with charitable rules)
Registration Number: 30205R

Valleys to Coast


Providing homes where people feel happy and safe.
from Valleys to Coast

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Information

Board Members (as at 31 March 2019)

Independent Board Members:	**Anthony Whittaker** – Chair **John Kinder** – Vice Chair **Cheryl Tracy**
Tenant Board Members:	**Sarah Hay** **Andrew Wallbridge**
Council Board Member:	**Stuart Baldwin**
Co-optees:	**Joanne Smith** **Liam Bevan** **Mark Woloshak** **Simon Robinson**

Other Information

Registered Office:	Tremains Business Park Tremains Road Bridgend CF31 1TZ
Company Secretary:	**Sarah Prescott**
External Auditors:	**Mazars LLP** 45 Church Street Birmingham B3 2RT
Auditors:	**Barcud Shared Services** Tremains Business Park Tremains Road Bridgend CF31 1TZ

Solicitors:	**Capital Law** Tyndall Street Cardiff CF10 4AZ	**Blake Morgan LLP** One Central Square Cardiff CF10 1FS
	Hugh James Hodge House 114 – 116 St Mary Street Cardiff CF10 1DY	**Geldards LLP** Dumfries House Cardiff CF10 3ZF
	Trowers & Hamlins LLP 55 Princess Street Manchester M2 4EW	
Bankers:	**Lloyds Banking Group** Commercial Banking St William House Tresilian Terrace Cardiff CF10 5BH	
Funders:	**Nationwide Building Society** Kings Park Road Moulton Park Northampton NN3 6NW	**Principality Building Society** Principality Buildings Queen Street Cardiff CF10 1UA
	M&G Investments Laurence Poultney Hill London EC4R 0HH	**Barclays Bank** PO Box 299 Birmingham B1 3PF
Welsh Government Registration No:	L137	
Company Registration No:	30205R	

Registered Society with charitable rules under the Co-operative and Community Benefit Societies Act 2014

Board Report - Strategic Review

Valleys to Coast Housing Limited is a not for profit organisation administered by a voluntary Board. It provides management, maintenance and improvement services to 5,902 rented homes, all within the administrative boundary of Bridgend County Borough Council (BCBC).

Valleys to Coast also provides management services to 701 leasehold flats, has a portfolio of 50 shops and other non-residential properties let on commercial terms, and manages 931 garages.

Valleys to Coast was established through a stock transfer from Bridgend County Borough Council (BCBC) in September 2003 with the aim of improving our customers' homes and working with other organisations to support the wider community.

The organisation's purpose is:

Providing homes where people feel happy and safe.

Over the next 5 years we want to make sure that Valleys to Coast is a vibrant organisation which delivers quality services and products for its customers.

We are keen to increase the capacity of our financial position, drive through greater efficiencies across the whole organisation, achieve truly customer-centric services, find ways to be a more sustainable landlord / business and create a dynamic, enjoyable workplace for our colleagues.

To support these ambitions we have identified 4 Strategic Priorities with which we will align to all of our plans.

These are:

- Customers at our heart
- Desirable homes
- Thriving communities
- Successful organisation

Board Report

Principal Activities

Valleys to Coast Housing Limited (the Company) is a Registered Society with charitable rules under the Co-operative and Community Benefit Societies Act 2014.

The Company is a not-for-profit organisation administered by a voluntary Board. The Company operates within the Bridgend County Borough Council local authority area.

The Company's principal activities are the improvement, management and development of housing for rent.

Performance for the Year

The Board reports a surplus for the year before actuarial gains of £2.6 million as shown in the Statement of Comprehensive Income. As at 31 March 2019 the Company has net assets of £40.3 million as shown in the Statement of Financial Position.

During the year the Company invested £10.4 million on planned repairs and improvement of housing properties. Details of changes to the Company's fixed assets are shown in notes 9, 10 and 11 to the financial statements.

At the year end some 82.81% of customers reported they were satisfied with the service from Valleys to Coast. Rent arrears has increased to 1.99% (from 1.76% last year) and 100% of properties had valid gas safety certificates as at the year end.

Our Money Matters and Welsh Water teams generated additional value for customers of approximately £1.3m in the year.

As at 31 March 2019 was holding a cash balance of £8.7m (2018: £1.7m). This is an unusually high cash balance for the business to be holding and is due to the timing of draw down of funding just prior to the year end.

Key Accounting Policies

The principal accounting policies are set out in note 1 to the financial statements.

Post Balance Sheet Events

The Board consider that there have been no events since the financial year-end that have had a significant effect on the financial position of the Company.

Board Members and Senior Officers

Independent Board Members:

Neil Harries – Chair (resigned 26 September 2018)
Anthony Whittaker – Chair (appointed 26 September 2018)
John Kinder – Vice Chair
Cheryl Tracy

Tenant Board Members:

Sarah Hay
Sue Rhodes (resigned 22 May 2018)
Andrew Wallbridge (appointed 30 April 2018)

Council Board Members:

Dhanisha Patel (resigned 20 August 2018)
Hywel Williams (resigned 20 August 2018)
Stuart Baldwin

Co-optees:

Joanne Smith
Liam Bevan
Mark Woloshak
Simon Robinson (appointed 26 September 2018)
Jill Woodward (appointed 26 September 2018 and resigned 21 January 2019)

The above Board members have held office during the whole of the year and to the date of this report unless otherwise stated. The Board members are drawn from a wide background bringing together professional, commercial, tenant and local experience.

The senior officers are Donna Baddeley (Chief Executive), Paul Ryall-Friend (Chief Operating Officer/Deputy Chief Executive) and Sarah Prescott (Chief Finance Officer/Company Secretary).

Key Performance Indicators

Key Performance Indicators, as reported either to the Welsh Government or internally, are set out in the following table:

	2018/19 Actual	2018/19 Target	2017/18 Actual	2016/17 Actual	2015/16 Actual
Arrears	1.99%	2.01%	1.76%	1.99%	1.71%
Empty homes loss percentage	0.90%	1.50%	1.44%	1.80%	2.14%
Average time taken to complete repairs:					
- Emergency	4.3 Hours	24 Hours	3.4 Hours	3.6 Hours	4.8 Hours
- Urgent	3.9 Days	7 Days	3.4 Days	3.3 Days	2.9 Days
- Non-urgent	12.8 Days	15 Days	11 Days	9.2 Days	8.1 Days
Annual housing management cost per unit	£688	£716	£687	£624	£607
Annual total cost of maintenance per unit (revenue)	£1,136	£966	£1,185	£1,809	£1,853
Annual total cost of planned maintenance and improvements per unit (capital)	£908	£1,316	£1,502	£898	£951
Total maintenance and improvement costs per unit (revenue and capital)	£2,044	£2,282	£2,687	£2,707	£2,804

- *Arrears – The total value of current tenant arrears at the year-end (net of unpaid direct Housing Benefit) as a percentage of the annual rent debit* – Arrears at 1.99% are lower than the target of 2.01%.
- *Empty homes loss percentage – The cumulative value of void loss as a percentage of the annual rent debit* – Losses from empty homes at 0.90% is significantly better than the target of 1.50% and reflects a performance which continued to improve for the third successive year.
- *The average time taken to complete repairs* – Our performance is better than target for all categories of repairs; emergency, urgent and non-urgent and is consistent with the previous financial year.
- *Annual housing management cost per unit* – The housing management cost per unit provides a measure of how efficient the Company is in terms of the management of the portfolio of tenanted properties. It includes all direct salary costs for housing management staff, together with costs such as insurance, tenant participation, costs of rent collection as well as a fair apportionment of overhead and office costs. It does not include estate costs which could be recovered through the charging of a service costs. The actual cost per unit at £688 is lower than the budget assumption. Housing Management costs are also slightly higher than last year and reflect the increasing demands due to welfare reform changes.
- *Annual total cost of maintenance per unit (revenue and capital)* – The total cost of maintenance per unit provides a measure of how costly it is for the Company to maintain its stock. It includes all routine and cyclical maintenance and the cost of major repairs and improvements, charged to the Income & Expenditure Account (revenue) or charged to the Balance Sheet (capital). The total maintenance cost (revenue and capital) per unit at £2,044 was £722 per unit less than the target of £2,766 per unit and was primarily due to lower capital spend on planned maintenance and improvements. The total cost also includes the cost of administration and management of the maintenance functions of the Company.

Value For Money Statement

The Board recognises the importance of Value For Money (VFM) in all of its activities, not just in terms of managing costs but also achieving sustainable value for its stakeholders and continuing to build its balance sheet strength and financial robustness. It monitors VFM performance on a quarterly basis and forms an integral strand of its new strategic plan.

Valleys to Coast's value for money goals are:

- the improvement of its operating margin, and achieving better operating efficiencies;
- developing new development and treasury strategies to improve its stock of homes and support its fair share of the sector ambition of building 20,000 new homes in Wales;
- having sufficient resources available to adequately invest in its asset management and technology strategies in particular.

To do this will require the furtherance of effective procurement, developing better management information, business data and customer insight, effective project management through the Forward Programme and close monitoring of its future forecasts and financial plans.

It will also continue to consider the allocation of resources across the business; the social return on investment it achieves; seek to better understand business performance compared to peers and work hard in meeting the challenges and opportunities presented by welfare reform, the Affordable Housing Review and tenure reform. It will engage in sector initiatives relating to VFM and transparency as they develop. Finally, a strong cultural focus on customers and their needs, both internal and external, will also be an essential element to achieving VFM.

Remuneration

Policy

The Remuneration Committee is responsible for annually reviewing the Reward Policy for all colleagues. It considers any salary uplifts for colleagues and makes recommendations to the Board.

The Remuneration Committee pays close attention to remuneration levels in the sector in determining the remuneration packages of the executive directors and other senior staff. Basic salaries are set having regard to issues of affordability; the external market and pay levels for comparable positions.

Service contracts

The senior officers are appointed on permanent contracts with a six month period of notice.

Pensions

The three senior executive officers were members of a defined benefit SHPS pension scheme as of 31 March 2019. The senior executive officers participate in the schemes on the same terms as all other eligible staff. The Company contributes to the schemes on behalf of its employees.

Other benefits

The senior officers are entitled to other benefits such as the provision of a car allowance. Full details of senior officers' remuneration packages are included in note 8 to the audited financial statements.

Employees

The strength of the Company lies in the quality and commitment of its employees (referred to as "colleagues"). The Company's ability to meet its objectives and commitments to customers in an efficient and effective manner depends on the contribution of colleagues throughout the Company.

The Company continues to provide information on its objectives, progress and activities through regular office and departmental meetings and full briefings.

The Company is committed to equal opportunities for all its colleagues and, in particular, supports the employment of any individuals with a disability, both in recruitment and in the retention of colleagues who may become disabled whilst in the employment of the Company.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Company has prepared detailed health and safety policies and provides training, communications and education on health and safety matters to all colleagues on a regular basis. The Board considered the assurance it receives with regard to Health and Safety in depth at the June 2019 Board meeting. It will continue to ensure that health and safety is of the highest importance going forwards.

Corporate Governance

The Company has adopted Community Housing Cymru's (CHC) Code of Governance. It is pleased to report that, in all material respects, it complies with the principal recommendations of the Code of Governance.

With regard to the Regulatory Framework issued by Welsh Government in May 2017 it is pleased to report that there are no areas of non-compliance. The latest regulatory judgement for Valleys to Coast issued by Welsh Government in November 2018 was rated as standard for both financial viability and governance, which is the highest possible rating.

The Board reports below on how it seeks to achieve effective housing association governance:

The Board

The Board comprises up to twelve non-executive members and up to five co-optees and is responsible for managing the affairs of the Company. It meets at least eight times a year for regular business and also meets to discuss strategy and for members' training.

The Board is responsible for the Company's strategy and policy framework. Day-to-day management and implementation of that framework is delegated to the Chief Executive and other senior officers who meet regularly and attend Board meetings.

Committees

The Board has three Committees, an Audit Committee, a Remuneration Committee and an Executive Committee.

The Audit Committee comprises a minimum of three Board members and meets up to four times a year. It considers the appointment of internal and external auditors, the scope of their work and their reports, as well as monitoring risk management. During the year it has developed its assurance mapping processes and enhanced its risk management.

The Remuneration Committee comprises a minimum of three Board members and meets at least once a year. It reviews remuneration of all colleagues in accordance with the Company's Reward Policy.

The Executive Committee is convened by the Chair when urgent matters, relating to Schedule 1 of the Housing Act 1996, cannot wait until the next Board Meeting. The Executive Committee is made up of three Board Members (including the Chair or Vice-Chair) and would normally reach a decision by responding to written information rather than actually meeting.

The Board and its Committees obtain external specialist advice from time to time as necessary.

The Company's Corporate and Business Plans establish the overall objectives and strategy in respect of risk management. The risk strategy reflects:

- *risk appetite:* the types and levels of risk that are considered acceptable including an assessment of time over which risk can be taken. The Company's risk appetite is agreed for each individual strategic risk by the Audit Committee. Where a strategic risk is found to not be within the Company's risk appetite action is taken to put in place further controls, or assurances are sought that the identified controls are operating effectively
- *risk response:* the different responses attached to risks (acceptance, management, modification, elimination & contingency or recovery plan)
- *policy setting:* where risks levels and responses can be determined policies should be established
- *assurance:* how the Board can be comfortable that the risks are being monitored and managed and any issues arising are being tackled.

Within the Risk Management Policy it is acknowledged that the Board retains overall responsibility for risk. Day-to-day management of risks is formally assigned to the Executive Management Team. The Board's objective in doing so is to:

- encourage a culture of risk awareness
- ensure risks remain well controlled
- ensure accountability and responsibilities are clear
- create a structure for the provision of reporting on the management of risk to the Executive Management Team and the Board.

Identification of risk is conducted in a structured way to ensure that:

- Board Members and colleagues undertaking the review are aware of the Company's strategic objectives as set out in the Corporate and Business Plans
- all high priority business significant and operational risks are identified
- the evaluation of risk is set in overall context
- risks can be prioritised in a realistic manner in order to ensure resources are focussed on critical areas.

The Board's Strategic Risk Analysis has identified a number of challenges over the next 5 years with the most significant including:

- legislative changes / welfare benefit reforms
- maintaining positive working relationships with our local authority partner
- managing the new regulatory environment
- ensuring positive and effective governance during challenging times
- maintaining effective systems to ensure the health & safety of colleagues, contractors and customers, particularly in the context of a post-Grenfell environment where legislative change may arise
- responding to uncertain economic times, including the loss of significant employers in Bridgend e.g. Ford.

Going Concern

The Company's business activities, its current financial position and factors likely to affect its future development are regularly considered by the Board. The Company has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Company's day to day operations. The Company also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

Whilst the future impact of Brexit is unknown, the Board do not believe that it poses a going concern risk to the business.

On this basis, 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 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.

Internal Control

The Board bears responsibility for ensuring that the Company operates a secure control environment. The controls serve to give reasonable assurance with regard to:

- the reliability of financial information used within the Company and for publication
- the maintenance of proper accounting records
- the safeguarding of assets against unauthorised use.

The Board is responsible for establishing and maintaining systems of internal control. Such systems cannot provide categorical assurance against material financial misstatement or loss, but can be expected to provide reasonable assurance.

Key elements in ensuring a secure environment include:

- the presence of formal policies and procedures
- clear delegation of authority
- a performance development framework
- performance development reviews
- an appropriate level of experienced and suitably qualified colleagues
- the performance monitoring of forecasts and budgets
- the identification, evaluation and management of significant risks
- a policy on fraud prevention, detection and reporting, and the recovery of assets
- suitable authorisation of major commitments which might put the Company at risk
- a robust and independent internal audit service, reporting appropriately to members, with suitable follow-up mechanisms in place.

The Audit Committee has reviewed the effectiveness of the system of internal control in the Company for the year ended 31 March 2019. An internal control weakness, relating to the capitalisation of general overhead costs affecting prior years, has been identified by management and adjustments have been made accordingly to restate the 2018 financial results. No further weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the Auditor's Report on the financial statements and the Board are not aware of any such weaknesses from 1 April 2019 to date.

Directors Indemnity

The Board has confirmed that the Company does have Directors' and Officers' Insurance in place.

Treasury Management

The Company has a treasury operation within the Finance Department, whose primary function is to manage liquidity, funding, investment and the Company's financial risk, including risk from volatility in interest rates and counterparty credit risk. The Company defines its treasury management activities as "The management of its cash flows, banking, money market and capital market transactions; the effective control of the risks associated with these activities; and the pursuit of optimum performance consistent with those risks."

The Company regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities is measured. Accordingly, the analysis and reporting of treasury management activities focus on risk implications for the Company.

The Company acknowledges that effective treasury management provides support towards the achievement of its business and service objectives. We are therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management. The treasury operation is not a profit centre and the objective is to manage risk on a cost effective basis; speculative transactions are not permitted.

Treasury policies are reviewed and approved annually by the Board. Our treasury policy does permit the prudent use of derivative instruments to hedge interest rate risks, where appropriate and subject to the approval of the Welsh Government. Our treasury policy also states that we will endeavor to ensure that our borrowings contain a mix of fixed and variable rate structures and our current Annual Treasury Strategy states that variable rate funding will not exceed 30% of the total debt outstanding. At 31 March 2019 6% of the total loan facilities of £75.7m are on variable rates.

The Company does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Company does not enter into trading transactions in financial instruments, but has arranged simple interest rate hedging through fixing of rates for not less than 70% of projected loan drawdown requirements over the next five years.

Statement of Financial Position, Debt and Liquidity

The Company's financial instruments comprise cash, short term investments and borrowings. Regarding liquidity, as the improvement and the provision of housing is a long term business; the Company's policy is to finance it primarily through medium and long term borrowings. The total loan facility is £75.7m is made up of:

- A £5 million variable rate revolving loan facility, funded by Lloyds Bank, which can be drawn and repaid and redrawn, as our financial requirements fluctuate, until 4 December 2023
- A £14.8 million fixed rate long term facility, funded by the Nationwide and Principality Building Societies, which must be fully repaid by 31 March 2025
- A £10 million fixed rate long term facility, funded by the Nationwide Building Society, which also must be fully repaid by 16 December 2028
- A £25 million fixed rate Note Purchase Agreement, facilitated by M&G Investments, which must be fully repaid by 31 March 2045
- A £10 million fixed rate Note Purchase Agreement, facilitated by M&G Investments, which must be fully repaid by 31 March 2052
- A £10 million term loan facility, funded by Natwest, which must be fully repaid by 21 December 2028
- Two interest free loans totalling £0.9m, funded by Welsh Government, which must be repaid between June 2019 and March 2022.

Statement of Board's Responsibilities

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

Registered Social Landlord (RSL) legislation requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102). Under the RSL legislation the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the Company for that period. 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 Practice (SORP) Accounting by Registered Social Housing Providers (SORP 2014), have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board is responsible for maintaining an adequate system of internal control and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015. 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.

In so far as each of the Board members are aware:

- there is no relevant audit information of which the Company's auditor is unaware
- the Board members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Annual General Meeting

The Annual General Meeting will be held on 25 September 2019.

Approved by the Board on 19 August 2019 and signed on its behalf by:

Anthony Whittaker
Chair of the Board

Independent auditor's report to the members of Valleys to Coast Housing Limited

Opinion

We have audited the financial statements of Valleys to Coast Housing Limited (the 'association') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position,the Statement of Cash Flows 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 FRS 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 association's affairs as at 31 March 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 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 association 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's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association'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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Board's view on the impact of Brexit is disclosed on page 13. The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to Valleys to Coast Limited's trade, tenants, suppliers and the wider economy.

We considered the impact of Brexit on Valleys to Coast Limited's as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with Valleys to Coast Limited's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for Valleys to Coast Limited's and this is particularly the case in relation to Brexit.

Other information

The Board is responsible for the other information. The 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 and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

We have reviewed the Board's statement on the association's compliance with the Welsh Government circular RSL 02/10 'Internal controls and reporting'. We are not required to express an opinion on the effectiveness of the association's system of internal control.

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.

Opinion on other matters prescribed by the Welsh Government circular RSL 02/10 'Internal controls and reporting'

In our opinion, based on the work undertaken in the course of the audit with respect to the Board's statement on internal control:

- the Board has provided the disclosures required by the Welsh Government circular RSL 02/10 'Internal controls and reporting'; and
- the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Matters on which we are required to report by exception

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

- the association has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the books of account; 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 the Board's responsibilities set out on page 15, the Board is 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 determines 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 is responsible for assessing the association'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 either intends to liquidate the association 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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.**

Use of the audit report

This report is made solely to the association's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an 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 association and the association's members as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT
Date: 19 August 2019

Statements

Statement of Comprehensive Income for the Year Ended 31 March 2019

	Note	2019	2018 (as restated)
		£'000	£'000
TURNOVER	2	31,465	29,278
Operating Costs	2	(25,891)	(25,952)
OPERATING SURPLUS	2	5,574	3,326
Surplus on Disposal of Property, Plant and Equipment	3	522	257
Interest Receivable		36	21
Interest and Financing Costs	4	(3,549)	(3,398)
SURPLUS FOR THE YEAR ON ORDINARY ACTIVITIES	6	2,583	206
Taxation on Surplus for the Year	5	-	-
SURPLUS FOR THE YEAR AFTER TAX		2,583	206
Initial Recognition of Defined Benefit Scheme	23	(1,287)	-
Total Actuarial Gains	23	2,617	80
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,913	286

The Company's turnover and expenses all relate to continuing operations.

Statement of Changes In Reserves at 31 March 2019

	Note	Revenue Reserve £'000
At 1 April 2017 (restated)	30	36,079
Surplus for the year		206
Total Actuarial Gains /(losses)		80
At 31 March 2018		36,365
As at March 2018 (as restated)	30	36,365
Surplus for the Year		2,583
Total Actuarial Gains /(losses)		1,330
At 31 March 2019		40,278

Statement of Financial Position at 31 March 2019

	Note	2019 £'000	2018 (as restated) £'000
FIXED ASSETS			
Intangible Assets	9	755	803
Housing Properties	10	120,951	116,039
Other Property Plant and Equipment	11	335	423
Investments - Homebuy Loans Receivable	12	599	664
		122,640	117,929
CURRENT ASSETS			
Inventories	13	42	44
Trade and Other Debtors	14	2,158	4,976
Cash and Cash Equivalents	22	8,720	1,693
		10,920	6,713
Creditors: amounts falling due within one year	15	(10,029)	(9,036)
NET CURRENT ASSETS/(LIABILITIES)		891	(2,323)
TOTAL ASSETS LESS CURRENT LIABILITIES		123,531	115,606
Creditors: amounts falling due after more than one year	16	(55,488)	(54,849)
Social Housing and Other Government Grants: amounts falling due after more than one year	17	(24,791)	(21,892)
SHPS Pension Liability	23	(1,382)	-
LGPS Pension Liability	23	(1,592)	(2,500)
NET ASSETS		40,278	36,365
CAPITAL AND RESERVES			
Non-Equity Share Capital	19	-	-
Comprehensive Income account	30	40,278	36,365
		40,278	36,365

These financial statements on pages 25-57 were approved by the Board on 19 August 2019 and were signed on its behalf by:

Anthony Whittaker
Chair of the Board

John Kinder
Board Member

Sarah Prescott
Company Secretary

Statement of Cash Flows for the Year Ended 31 March 2019

	Note	2019 £'000	2019 £'000	2018 (as restated) £'000	2018 (as restated) £'000
Net cash generated from operating activities	20		15,436		6,396
Cash Flows from investing activities					
Purchase of intangible assets		(398)		(363)	
Acquisition, construction and improvement of housing properties		(10,372)		(8,896)	
Purchase of other property plant and equipment		(22)		(13)	
Proceeds from sale of housing properties		992		327	
Grants received		4,139		1,974	
Interest received		36		21	
Net Cash Flows from investing activities			(5,625)		(6,950)
Cash Flows from financing activities					
Repayment of loans	21	(3,950)		(2,700)	
New loans		5,000		6,070	
Loan arrangement and brokerage costs paid		(285)		(152)	
Interest paid		(3,549)		(3,398)	
Net Cash Flows from financing activities			(2,784)		(180)
Net Increase/(decrease) in cash and cash equivalents	22		7,027		(734)
Cash and cash equivalents at 1 April 2018	22		1,693		2,427
Cash and cash equivalents at 31 March 2019	22		8,720		1,693

Free cash flow		2019 £'000	2018 £'000
Net cash generated from operating activities	20	15,436	6,396
Interest paid	4	(3,549)	(3,398)
Interest received		36	21
Adjustment for reinvestment in existing properties			
Component replacements		(5,358)	(3,871)
Free cash generated before loan repayments		6,565	(852)
Loans repaid (excluding refinancing)		(3,950)	(2,700)
Free cash generated after loan repayments		2,615	(3,552)

Notes to the Financial Statements for the Year Ended 31 March 2019

1 Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year. The Board is satisfied that the current accounting policies are the most appropriate for the Company.

(a) General Information and basis of accounting

The financial statements have been prepared under historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2014 (SORP), the Housing and Regeneration Act 2008 and The Accounting Requirements for Social Landlords General Determination (Wales) 2015. The Company is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

(b) Turnover

Turnover represents rental and other income receivable, grants for supported housing and other revenue grants receivable. Rental income is accounted for in full weeks. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Amortisation of social housing and other government grants is accounted for in line with the accounting policy.

(c) Sales of Properties and Fixed Asset Investments

Surpluses or deficits resulting from the sale of properties and fixed asset investments are shown in the Statement of Comprehensive Income under surpluses/(deficits) on disposal of property, plant and equipment. Revenue is recognised on the completion of sales.

(d) Intangible Assets

Intangible assets are stated at historic cost or valuation, less accumulated amortisation and any provision for impairment. Amortisation is provided on all Intangible assets at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life, as follows:

Computer Software Development	33.3%

(e) Housing Properties

Housing Properties are stated at cost less depreciation. Cost includes the cost of acquiring the land and buildings plus associated fees and works required to bring them into use.

Directly attributable costs are the labour costs of Valleys to Coast arising directly from the acquisition of Housing Properties, and incremental costs that would have been avoided only if individual properties had not been acquired.

Any abortive costs incurred relating to developments that do not proceed are written off to the Statement of Comprehensive Income in the year identified as abortive.

Depreciation is charged on a straight line basis, over the useful economic life of the asset. Freehold land is not depreciated.

Major Components of New Housing Properties and Purchased Housing Properties are depreciated over their estimated elemental life span, on a straight line basis over the following periods:

- Heating Systems – 18 years
- Boilers – 12 years
- Kitchens – 15 years
- Lifts – 20 years
- Bathrooms – 25 years
- Electrical Systems and Whole House Rewires – 25 years
- Energy Production Equipment (PV Solar Panels & Air Source Heat Pumps) – 25 years
- External Wall Insulation – 25 years
- External Windows and Doors – 30 years
- Rain Water Goods – 15 years
- Roofs – 65 years

The structure of all traditionally built New Housing Properties' and Purchased Housing Properties' capitalised cost is depreciated on a straight line basis over a period of 100 years.

The structure of all non-traditionally built New Housing Properties' and Purchased Housing Properties' capitalised cost is depreciated on a straight line basis over a period of 50 years.

All other capitalised Housing Property Improvements are depreciated on a straight line basis over a period of 50 years.

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Company is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

(f) Impairment of Housing Properties

At each reporting date an impairment assessment is carried out on all income generating units and any impairment is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an asset exceeds the higher of its net realisable value or its fair value less costs to sell.

An impairment review has taken place on all of the Company's Housing Properties as at the 31 March 2019 and it is felt that the properties are not impaired.

An impairment charge has however been recognised as a prior year adjustment in the March 2018 accounts to recognise impairments on development schemes, totalling £573k. For further information please refer to note 30.

(g) Non-Housing Property, Plant & Equipment

Non-housing property, plant and equipment is stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office Improvements	Over the remaining lives of the leases
Furniture, Fixtures & Fittings	10%
Computers & Office Equipment	20%
Plant & Tools	25%
Vehicles	25%

(h) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Social Housing and Other Government Grants

Public Sector grant income received is matched with the expenditure to which it relates. The grant will be recognised when there is reasonable assurance that the conditions attached to it will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Where grant is received as a contribution towards revenue expenditure, it is included in turnover.

(j) Recycling of Grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

(k) Pension Costs

The Company participates in two pension schemes:

1) The Social Housing Pension Scheme (the SHPS Scheme) is a defined benefit scheme managed by the Pensions Trust. The SHPS Scheme is an industry wide multi-employer defined benefit pension scheme where the scheme assets and liabilities previously could not be separately identified for each employer. This was accounted for as a defined contributions scheme as there was insufficient information available to account for the scheme as defined benefit. For the current financial year ending on 31 March 2019 the way in which the employer's obligation is stated in the accounts has changed. Sufficient information has now been made available for the Company to account for its obligations on a Defined Benefit basis. Further disclosures relating to the change in accounting policy can be found in note 23.

2) The Local Government Pension Scheme (the LGPS Fund) is a defined benefit scheme managed by Rhondda Cynon Taf County Borough Council. The LGPS Fund is a multi-employer scheme where it is possible for the Company to identify its share of the assets and liabilities of the scheme. For the LGPS Fund the amounts charged to operating surplus are the costs arising from employee services rendered during the year and the cost of plan benefit changes. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the defined benefit liability) are recognised immediately in other comprehensive income. See note 23 for further details.

(l) Interest Payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

(m) Financial Instruments and Loans

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Financing transactions

Loan arrangement fees are capitalised and recognised as expenditure over the terms of the loans.

(n) Operating Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(o) Value Added Tax (VAT)

The Company is partially exempt for VAT purposes and charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Company and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

(p) Debtors

Short term debtors are measured at transaction price less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment. Where deferral of payment terms have been agreed at below market rate and where material, the balance is shown at the present value, discounted at a market rate.

(q) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities including bank loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method.

(r) Home Buy Option

Where the Company received an allowance from Welsh Government to administer the sale of property under the "Home Buy Option" initiative and in turn has made an interest free loan to the purchaser secured by a charge on the property, the loan is accounted for under investments at cost with the associated grant included in long term liabilities on the statement of financial position.

(s) Employee Benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

2 Significant Management Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Significant management judgements

The following are management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Company has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

(b) Estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Provisions

Provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The Company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Please see note 23 for further information.

Change of accounting for Social Housing Pension Scheme

Historically SHPS had not provided sufficient information and resulted in defined contribution accounting being adopted. The Company has now been supplied with relevant details and defined benefit accounting has been applied in line with FRS102 and FRED 71 requirements. Consideration has been given by management to actuarial assumptions and the impact of the McCloud judgement and GMP indexation. A provision of £403k has been made within these accounts for the impact of these cases on future liabilities.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in operating expenses. Please see notes 14-16.

Recoverable amount of rental and other trade receivables

Management estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Please see note 14 for further information.

Useful Lives of Depreciable Assets

Tangible fixed assets are depreciated over their useful lives. Management reviews the useful lives of depreciable assets at each reporting date based on the expected utility of the assets.

Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes in homes standards which may require more frequent replacement of key components.

The key judgements and estimates applied in respect of housing property are contained within these notes, in section 1(e) above, and include the useful economic life of properties and that properties have no residual value at the end of useful life.

Social Housing Grant and Other Capital Grants

All government grants initially appear as creditors in the Statement of Financial Position at the fair value of the sum receivable. Grants are amortised on a straight-line basis over the life of the asset whose purchase they support which, as above is an estimate in itself. The impact of this estimate is disclosed in note 17.

2a Turnover, Operating Costs and Operating Surplus

	Turnover	Operating costs	2019 Operating surplus	2018 Operating surplus
	£'000	£'000	£'000	£'000
Income and Expenditure from lettings				
General Needs Housing Accommodation	29,199	(24,011)	5,188	3,736
Supported, Sheltered and Extra-Care Housing Accommodation	1,185	(729)	456	48
Fully Rented Housing Accommodation	30,384	(24,740)	5,644	3,784
Commercial Property	195	(209)	(14)	15
Garages and Garage Bases	146	(197)	(51)	24
Development costs not capitalised	-	12	12	(356)
Total from lettings	30,725	(25,134)	5,591	3,467
Leaseholders	143	(214)	(71)	(203)
Other activities	597	(543)	54	62
	31,465	(25,891)	5,574	3,326

2b Income and Expenditure from Social Housing Lettings

	General Needs Housing Accommodation	Supported, Sheltered and Extra-Care Housing Accommodation	2019 Total	2018 Total
	£'000	£'000	£'000	£'000
Income				
Rent receivable	27,291	827	28,118	26,159
Service charges receivable	476	323	799	745
Grant for supported housing	-	35	35	14
Tenant Recharges	55	-	55	-
WG HFG2 revenue payment	18	-	18	-
Amortisation of social housing and other government grants	1,359	-	1,359	844
Turnover from social housing lettings	29,199	1,185	30,384	27,762

2b Income and Expenditure from Social Housing Lettings (Continued)

	General Needs Housing Accommodation	Supported, Sheltered and Extra-Care Housing Accommodation	2019 Total	2018 Total
	£'000	£'000	£'000	£'000
Costs				
Housing management	4,686	153	4,839	4,741
Housing services	3,023	100	3,123	2,222
Maintenance – reactive	5,183	157	5,340	6,323
Maintenance – cyclical	556	17	573	972
Planned maintenance and major repairs	4,697	144	4,841	3,928
Depreciation of housing properties	5,088	158	5,246	5,097
Depreciation of other fixed assets	556	-	556	585
Rent loss from bad debts	222	-	222	110
Operating costs on social housing lettings	24,011	729	24,740	23,978
Operating surplus on social housing lettings	5,188	456	5,644	3,784
Rent loss due to voids (memorandum note)	(256)	(5)	(261)	(393)

3 Sales of Housing Properties and Other Fixed Assets

	2019 £'000	2018 £'000
Sales proceeds	992	327
Costs of sales	(470)	(70)
Surplus on disposal	522	257

4 Interest and Financing Costs

	2019 £'000	2018 £'000
Loans and bank overdrafts	3,438	3,332
Unwinding of SHPS discount factor (note 23)	-	6
Net interest on defined benefit liability (note 23)	111	60
	3,549	3,398

5 Taxation

On 16th March 2007 the legal status of the Company changed to become that of a Community Benefit Society with charitable status. As a result the Company has no liability to Corporation Tax on its charitable activities from that date.

6 Surplus on Ordinary Activities

	2019 £'000	2018 £'000
Surplus on ordinary activities is stated after charging:		
Staff costs	8,080	8,071
Depreciation of housing properties (note 10)	5,246	5,086
Depreciation of intangible assets (note 9)	446	448
Depreciation of other property plant and equipment (note 11)	110	135
Amortisation of government grants	(1,359)	(844)
Auditors' remuneration (inclusive of VAT):		
In their capacity as auditors	22	19
In respect of other services – tax compliance	3	-

7 Staff Costs

	2019 £'000	2018 £'000
Staff costs including directors:		
Wages and salaries	6,897	6,476
Social security costs	666	630
Other pension costs – Employer's contributions	701	633
Other pension costs – Difference between current and past service cost and contributions payable (note 23)	2,247	411
	10,511	8,150
In addition to the above were payments in respect of redundancy, early retirement, in lieu of notice and equal pay claims	115	83

Average number of persons expressed as full time equivalents employed during the year:	2019 Number	2018 Number
Management and administration	142	133
Scheme co-ordinators, community caretakers and cleaners	13	12
Housing Repair Service (operatives)	82	83
Total number of employees expressed as full time equivalents	237	228
Average number of employees during the year:		
Management and administration	151	142
Scheme co-ordinators, community caretakers and cleaners	16	14
Housing Repair Service (operatives)	83	84
Average total number of employees	250	240

8 Directors' Emoluments

	2019 £'000	2018 £'000
The remuneration paid to the directors and senior officers including the Chief Executive was:		
Emoluments (including employer's pension contributions)	354	374
The emoluments of directors and senior officers disclosed above (excluding pension contributions) include amounts paid to:		
The highest paid director	118	88

None of the members of the Board received any emoluments.

The full time equivalent number of directors and staff to whom emoluments were payable in excess of £50,000 (excluding pension contributions) fell within the bands:	2019 Number	2018 Number
£50,001 - £60,000	1	4
£60,001 - £70,000	4	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	2
£90,001 - £100,000	2	-
£100,001 - £120,000	1	2

Expenses paid during the year to Board Members amounted to £1,360 (2018: £1,048).

The Chief Executive, Ms Donna Baddeley, is an ordinary member of the SHPS pension scheme and no enhanced or special terms apply. The employer's pension contribution in respect of the Chief Executive was £26,968 (2018: £3,997 part-year). The Company does not make any further contribution to any individual pension arrangements for the Chief Executive.

9 Intangible Assets

	Computer Software £'000
COST	
At 1 April 2018	2,505
Additions	398
Disposals	-
At 31 March 2019	2,903
DEPRECIATION	
At 1 April 2018	1,702
Charge for the year	446
Eliminated on disposals	-
At 31 March 2019	2,148
NET BOOK VALUE	
At 31 March 2019	755
At 31 March 2018	803

10 Housing Properties

	Note £'000	Housing Properties held for letting £'000	Housing Properties under construction £'000	Housing Properties Total £'000
COST				
As at 1 April 2018, as previously stated		161,438	4,444	165,882
Prior year adjustment	30	(4,962)	(573)	(5,535)
As at 1 Apri l 2018 (as restated)		156,476	3,871	160,347
Additions		5,047	5,336	10,383
Transferred on Completion		1,646	(1,646)	-
Abortive Development Costs		-	(5)	(5)
Disposals		(356)	-	(356)
At 31 March 2019		162,813	7,556	170,369
DEPRECIATION				
As at 1 April 2018, as previously stated		(45,829)	-	(45,829)
Prior year adjustment	30	1,521	-	1,521
As at 1 Apri l 2018 (as restated)		(44,308)	-	(44,308)
Charge for the year		(5,246)	-	(5,246)
Eliminated on disposals		136	-	136
At 31 March 2019		(49,418)	-	(49,418)
NET BOOK VALUE				
At 31 March 2019		**113,395**	**7,556**	**120,951**
At 31 March 2018 (as restated)		112,168	3,871	116,039

Prior year adjustments have been recognised in the 2018 accounts for the impairment of development costs on two schemes totalling £573k. In addition, £4,962k of general overhead costs that had been incorrectly capitalised in prior accounting periods have been fully written off.

Housing and other properties held for letting comprise:

	2019 £'000	2018 £'000
Improvements to freehold land and buildings	78,709	78,428
Purchases of freehold properties and new development	34,686	33,740
	113,395	112,168

There were no solar panel installation costs during 2018-19 included in the additions to housing properties held for letting for the year.

Major repairs and improvement expenditure on existing properties during the year amounted to £10,261k (2018 - £8,372k). This has been accounted for as follows:

	2019 £'000	2018 £'000
Planned maintenance and major repairs (revenue)	4,903	3,928
Improvements (capital)	5,358	4,444

11 Other Property Plant and Equipment

	Office Improvements £'000	Furniture, Fixtures & Fittings £'000	Computers & Office Equipment £'000	Plant & Tools £'000	Vehicles £'000	Total £'000
COST						
At 1 April 2018	572	261	870	70	27	1,800
Additions	-	4	17	1	-	22
Disposals	-	-	-	-	-	-
At 31 March 2019	572	265	887	71	27	1,822
DEPRECIATION						
At 1 April 2018	330	178	787	62	20	1,377
Charge for the year	48	12	45	3	2	110
Eliminated on disposals	-	-	-	-	-	-
At 31 March 2019	378	190	832	65	22	1,487
NET BOOK VALUE						
At 31 March 2019	194	75	55	6	5	335
At 31 March 2018	242	83	83	8	7	423

12 Investments - Homebuy Loans Receivable

	Grant Funded £'000	Non-Grant Funded £'000	Total £'000
COST			
At 1 April 2018	124	540	664
Additions	-	-	-
Disposals	(34)	(31)	(65)
At 31 March 2019	90	509	599

Investments - Homebuy Loans Receivable represent long term loans provided to individuals purchasing properties under the "Home-Buy Initiative". Where properties funded by Social Housing Grant are disposed of, the grant is required to be either recycled to fund new Social Housing or repaid to the Welsh Government.

13 Inventories

	2019 £'000	2018 £'000
Stock of materials	42	44

14 Trade and Other Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Gross rent and service charge arrears	1,876	1,712
Less: provision for bad debts	(1,056)	(835)
Net rent and service charge arrears	820	877
Other debtors	390	3,193
Prepayments and accrued income	948	906
	2,158	4,976

15 Creditors: Amounts Falling Due within One Year

	2019 £'000	2018 £'000
Loans (note 18)	4,295	3,950
Trade creditors	2,756	1,489
Other taxation and social security costs	165	4
Rent and service charges received in advance	402	333
Leaseholder repairs reserves	-	197
Retentions	415	379
Social Housing and Other Government Grants (note 17)	619	770
SHPS Pension Deficit Provision	-	405
Accruals and deferred income	1,377	1,509
	10,029	9,036

16 Creditors: Amounts Falling Due After More Than One Year

	2019 £'000	2018 £'000
Loans due between 1 and 5 years	10,700	14,720
Loans due greater than 5 years	45,700	40,840
Less deferred loan arrangement fees	(964)	(731)
	55,436	54,829
Recycled Capital Grant Fund	52	20
	55,488	54,849

	2019 £'000	2018 £'000
Recycled Capital Grant Fund		
At 1 April 2018	20	20
Additions (note 17)	32	-
At 31 March 2019	52	20

17 Deferred Income - Government Grants

	2019 £'000	2018 £'000
At 1 April 2018	22,662	21,532
Grant Receivable	4,139	1,974
Amortisation to Statement of Comprehensive Income	(1,359)	(844)
Transferred to RCGF	(32)	-
At 31 March 2019	25,410	22,662
Due within one year	619	770
Due after one year	24,791	21,892
	25,410	22,662

18 Debt Analysis

	2019 £'000	2018 £'000
Housing Loans – due within one year		
Bank Loans	4,295	3,950
Housing Loans – due after more than one year		
Bank Loans – long term loan facility (Repayable within five years)	10,700	14,720
Bank Loans – long term loan facility (Repayable after five years)	45,700	40,840

The loans are secured by specific charges on the Company's housing properties and a fixed charge over the entire undertaking and are repayable as follows:

- £10.0 million at a fixed rate of 6.70% until repayment in instalments from December 2025 to December 2028
- £14.8 million at a fixed rate of 6.96% until repayment in instalments from March 2018 to March 2025
- £25.0 million at a fixed rate of 3.935% until repayment in instalments from April 2036 to April 2045
- £10.0 million at a fixed rate of 3.536% until repayment in instalments from April 2048 to April 2052
- £900,000 interest free, repayable between June 2019 and March 2022.

At 31 March 2019, the Company had un-drawn loan facilities of £15 million (2018 - £10.0 million). Commitment fees also apply at a rate of 0.475% on £5 million of the undrawn balance and 0.66% on the remaining £10 million balance.

19 Non-Equity Share Capital

	2019 £	2018 £
Shares of £1 each fully paid and issued:		
At 1 April 2018	48	52
Issued during the year	1	6
Cancelled during the year	(1)	(10)
At 31 March 2019	48	48

The shares provide members with the right to vote at general meetings. The shares carry no right to a dividend, there is no provision for the redemption of shares and there is no provision for a distribution following a winding-up.

20 Reconciliation of Operating Surplus to Cash Generated from Operating Activities

	2019 £'000	2018 £'000
Operating surplus for the year	5,575	4,142
Adjustments for non-cash items:		
Depreciation charges	5,802	5,669
Amortisation of social housing and other government grants	(1,359)	(844)
Release of loan transaction fees	52	31
Abortive development costs	5	245
Impairment of fixed assets	-	(573)
Loss on sale of other fixed assets	470	259
Pension costs less contributions paid and actuarial gain	1,138	351
Movement in bad debt provision	221	110
Decrease/(Increase) in trade and other debtors	2,597	(1,607)
Increase/(Decrease) in trade and other creditors	799	(1,387)
Decrease in stock	2	-
Other net movements	134	-
Cash generated from operating activities	15,436	6,396

21 Reconciliation of Net Cash Flow to Movement in Net Debt

	2019 £'000	2018 £'000
Increase/(Decrease) in cash	7,027	(734)
Net cash (inflow) from increase in debt	(1,185)	(3,370)
Change in net debt resulting from cash flows	5,842	(4,104)
Movement in net debt in the year		
Net debt at 1 April	(57,817)	(53,713)
Net debt at 31 March	(51,975)	(57,817)

22 Analysis of Changes in Net Debt

	At 1 April 2018 £'000	Cash Flows £'000	At 31 March 2019 £'000
Cash at Bank and in hand	1,693	7,027	8,720
Loans – Long term loan facility	(59,510)	(1,185)	(60,695)
	(57,817)	5,842	(51,975)

23 Pension Obligations

Up to 31 March 2008 the Company's employees were eligible to join either the Social Housing Pension Scheme (the SHPS Scheme) or the Rhondda Cynon Taf County Borough Council Pension Fund, which is part of the Local Government Pension Scheme (the LGPS Fund). From 1 April 2008 the Company's employees, not already members of either Pension Scheme, were only eligible to join benefit structures under the SHPS Scheme. Further information on each scheme is given below.

As detailed above, Valleys to Coast participates in two defined benefit final salary schemes, the LGPS Pension Scheme and the Social Housing Pension Scheme.

Summary of liability:	2019 £'000	2018 £'000
LGPS	1,592	2,500
SHPS	1,382	-
Total liability	2,974	2,500

SHPS – General Information

The SHPS Scheme is a multi-employer scheme which provides benefits to some 600 non-associated employers. The Scheme is a defined benefit scheme in the UK. Historically it was not possible for the Company to obtain sufficient information to enable it to account for the SHPS Scheme as a defined benefit scheme. Therefore it accounted for the SHPS Scheme as a defined contribution scheme. Following a number of changes made to systems and processes sufficient information has been provided for the first time to allow defined benefit accounting to be undertaken

As at the 31 March 2019 there were 107 active members of the Scheme employed by the Company.

In respect of the Final Salary with 1/60th accrual rate benefit structure the Company paid contributions at the rate of 10.6% during the year. Member contributions vary between 8.4% and 10.4% depending on their age.

In respect of the Career Average Re-valued Earnings (CARE) with 1/60th accrual rate benefit structure the Company paid contributions at the rate of 8.8% during the year. Member contributions vary between 6.3% and 8.3% depending on their age.

The SHPS Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

23 Pension Obligations (Continued)

The SHPS Scheme is classified as a "last-person standing arrangement". Therefore the Company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the SHPS Scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the SHPS Scheme.

SHPS Scheme – Present values of defined benefit obligation, fair value of assets and defined benefit asset liability

	2019 £'000	2018 £'000
Fair value of plan assets	5,649	4,743
Present value of defined benefit obligation	(7,031)	(6,435)
Defined benefit liability to be recognised	(1,382)	(1,692)

SHPS Scheme – Reconciliation of opening and closing balances of the defined benefit obligation

	2019 £'000
Opening defined benefit obligation	6,435
Current service cost	615
Expenses	7
Interest expense	177
Contribution by participants	191
Actuarial losses (gains) due to scheme experience	(196)
Actuarial losses (gains) due to changes in demographic assumptions	20
Actuarial losses (gains) due to changes in financial assumptions	(138)
Benefits paid out and expenses	(80)
Closing defined benefit obligation	7,031

23 Pension Obligations (Continued)

SHPS Scheme – Reconciliation of opening and closing balances of the fair value of plan assets

	2019 £'000
Opening fair value of assets	4,743
Interest income on assets	126
Experience on plan assets gain / (loss)	603
Contributions by the Company	66
Contributions by participants	191
Net benefits paid out	(80)
Closing fair value of assets	5,649

SHPS Scheme – Amounts recognised in Statement of Comprehensive Income

	2019 £'000
Operating cost	
Current service cost	615
Expenses	7
Financing cost	
Interest on net defined liability	51
Pension expense recognised in surplus for the year	673

SHPS Scheme – Amounts recognised in other comprehensive income

	2019 £'000
Experience on plan assets	603
Experience gains and losses arising on the plan liabilities	196
Effects of changes in the underlying demographic assumptions	(20)
Effects of changes in the underlying financial assumptions	138
Total amount recognised in other comprehensive income	917

23 Pension Obligations (Continued)

SHPS Scheme – Assets

	2019 £'000	2018 £'000
Global Equity	950	937
Absolute Return	489	579
Distressed Opportunities	103	46
Credit Relative Value	103	-
Alternative Risk Premia	326	180
Fund of Hedge Funds	25	156
Emerging Markets Debt	195	191
Risk Sharing	171	44
Insurance-Linked Securities	162	125
Property	127	218
Infrastructure	296	122
Private debt	76	42
Corporate Bond Fund	264	195
Long Lease Property	83	-
Secured Income	202	176
Liability driven Investment	2,066	1,728
Net Current Assets	11	4
Fair value of assets	5,649	4,743

SHPS Scheme – Principal Financial Assumptions

The principal assumptions used for FRS 102 purposes were:

	2019 % p.a.	2018 % p.a.
Discount Rate	2.80	2.60
Inflation (RPI)	3.19	3.09
Inflation (CPI)	2.19	2.09
Salary Growth	3.19	3.09
Allowance for commutation of pension for cash at retirement (Maximum allowance)	75.0	75.0

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies:

	(Years)
Male retiring in 2019	21.8
Female retiring in 2019	23.5
Male retiring in 2039	23.2
Female retiring in 2039	24.7

23 Pension Obligations (Continued)

LGPS Fund – General Information

The disclosures below relate to the funded liabilities within the Rhondda Cynon Taf County Borough Council Pension Fund which is part of the Local Government Pension Scheme (LGPS Fund) The LGPS Fund is a defined benefit scheme with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned are set out in "The Local Government Pension Scheme Regulations 2013" and "The Local Government Pension Scheme (Transitional Provisions), Savings and Amendment Regulations 2014".

The employer contributions paid for the year were £373k (2018 - £345k).

The latest actuarial valuation of the Company's liabilities took place on 31 March 2016. Liabilities have been estimated by the independent qualified actuary on the actuarial basis using the projected unit credit method. No allowance has been made for GMP equalisation and indexation in accordance with the prevailing Treasury view. Furthermore no allowance has been made to the Cost Management Process pending the outcome of the Government's appeal to the McCloud Judgement.

LGPS Fund – Principal Financial Assumptions

The principal assumptions used by the actuary in updating the latest valuations of the LGPS Fund for FRS 102 purposes were:

	2019 % p.a.	2018 % p.a.	2017 % p.a.
Discount Rate	2.4	2.6	2.6
Rate of general increase in salaries	3.45	3.35	3.25
Rate of increase to pensions in payment	2.2	2.1	2.0
Rate of increase to deferred pensions	2.2	2.1	2.0
Rate of inflation (RPI)	3.3	3.2	3.1
Rate of inflation (CPI)	2.2	2.1	2.0

The approximate split of assets for the LGPS Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below.

	2019 Asset Split %	2018 Asset Split %	2017 Asset Split %
Equities	64.5	74.8	72.6
Government Bonds	13.5	8.5	9.4
Corporate Bonds	11.6	9.4	10.0
Property	6.9	5.4	5.9
Cash	3.5	1.9	2.1
Total	**100.0**	**100.0**	**100.0**

23 Pension Obligations (Continued)

LGPS Fund – Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the LGPS Fund and allow for expected future mortality improvements.

Post Retirement Mortality	**2019**	**2018**
Males	Standard SAPS	Standard SAPS
Year of birth base table	S2P Tables	S2P Tables
Rating to the above base table (years)	0.0	0.0
Scaling to above base tables	100%	100%
Improvements to base table rates	CMI 2017 with a long term rate of improvement of 1.5%p.a.	CMI 2014 with a long term rate of improvement of 1.5%p.a.
Future lifetime from age 65 (currently aged 65)	22.2 years	22.9 years
Future lifetime from age 65 (currently aged 45)	23.9 years	25.1 years

Post Retirement Mortality	**2019**	**2018**
Females	Standard SAPS	Standard SAPS
Year of birth base table	S2P Tables	S2P Tables
Rating to the above base table (years)	0.0	0.0
Scaling to above base tables	100%	100%
Improvements to base table rates	CMI 2017 with a long term rate of improvement of 1.5%p.a.	CMI 2014 with a long term rate of improvement of 1.5%p.a.
Future lifetime from age 65 (currently aged 65)	24.1 years	25.0 years
Future lifetime from age 65 (currently aged 45)	25.9 years	27.3 years

LGPS Fund – Reconciliation of funded status to Statement of Financial Position

	2019 £'000	2018 £'000
Fair value of assets	34,330	32,020
Present value of funded liabilities	(35,520)	(34,520)
Provision for the impact of GMP and the McCloud judgement	(402)	-
Net pension liability	(1,592)	(2,500)

LGPS Fund – Amounts recognised in Statement of Comprehensive Income

	2019 £'000	2018 £'000
Operating cost		
Current service cost	700	750
Past service cost	-	-
Provision for the impact of GMP and the McCloud judgement	402	
Financing cost		
Interest on net defined liability	60	60
Pension expense recognised in surplus for the year	1,162	810

LGPS Fund – Amounts recognised in other comprehensive income

	2019 £'000	2018 £'000
Asset gains arising during the year	2,340	760
Liability (losses) during the year	(640)	(680)
Total amount recognised in other comprehensive income	1,700	80

LGPS Fund – Changes to the present value of defined benefit obligations

	2019 £'000	2018 £'000
Opening defined benefit obligation	34,520	32,760
Current service cost	700	750
Past service cost	-	-
Interest expense on defined benefit obligation	880	850
Contributions by participants	140	160
Actuarial losses on liabilities	640	680
Net benefits paid out	(1,360)	(680)
Closing defined benefit obligation	35,520	34,520

LGPS Fund – Changes to the fair value of assets

	2019 £'000	2018 £'000
Opening fair value of assets	32,020	30,650
Interest income on assets	820	790
Remeasurement gains on assets	2,340	760
Contributions by the Company	370	340
Contributions by participants	140	160
Net benefits paid out	(1,360)	(680)
Closing fair value of assets	34,330	32,020

LGPS Fund – Actual return on assets

	2019 £'000	2018 £'000
Interest income on assets	820	790
Remeasurement gains on assets	2,340	760
Actual return on assets	3,160	1,550

24 Capital Commitments

	2019 £'000	2018 £'000
Capital expenditure contracted but not provided for in the financial statements	7,948	8,611
Capital expenditure authorised by the Board but not contracted	6,320	9,240

Capital Budget

Funding

These will be funded by existing loan facilities as detailed in note 18, and by Social Housing Grant.

25 Other Financial Commitments

At 31 March 2019 the total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 Land and buildings £'000	2019 Other £'000	2018 Land and buildings £'000	2018 Other £'000
Payments due:				
Within one year	230	335	251	333
Between one and five years	523	479	718	703
After five years	-	86	36	6
	753	900	1,005	1,042

26 Housing Stock

Number of units in management	2019 Number	2018 Number
Housing accommodation for letting:		
General housing – Social rents	5,645	5,653
General housing – Intermediate rents	36	38
General housing – Market rents	1	1
Supported, Sheltered and Extra-Care housing	220	216
Total rented	5,902	5,908
Other units:		
Home Buy	13	14
Right-to-buy leases	701	710
Garages	931	1,065
Commercial Property leases (less than 21 years)	29	31
Commercial Property leases (21 years or more)	21	20

27 Related Parties

Valleys to Coast is a member of Tai Pawb, a charity which promotes equality and social justice in housing in Wales. Sarah Prescott, CFO, is a Board member of Tai Pawb. During the year Valleys to Coast incurred membership fees of £1,750 and other fees of £44 in relation to Tai Pawb. Valleys to Coast's membership of Tai Pawb predates the involvement of Sarah Prescott on their Board.

Valleys to Coast incurred expenditure of £6,500 in relation to services provided by Bridgend College. Donna Baddeley, CEO, sits on the Board of Bridgend College, a key local organisation. All transactions with both organisations were at arms length and at market rates.

Three of the Board members who held office during the year are also tenants. The tenancies are on normal commercial terms and the Board members cannot use their position to their advantage. One of the Board members who held office during the year is also a leaseholder. The lease is on normal commercial terms and the Board member cannot use his position to his advantage. Three of the Board members who held office during the year are Councillors of Bridgend County Borough Council (BCBC). Any transactions with BCBC are made at arm's length, on normal commercial terms and the Council Board members cannot use their position to their advantage.

28 Establishment Of The Company

The Company is a Registered Society with charitable rules under the Co-operative and Community Benefit Societies Act 2014 (Registration Number 30205R). Its activities are regulated by the Welsh Government as a Registered Social Landlord under the Housing Association Act 1985 (Registration Number L137).

29 Contingent Liabilities

Social Housing Grant may become repayable in the following circumstances:

- disposal of a property (including disposals on assisted ownership terms) other than to another RSL
- change of use of a property to a use that would be eligible for a lesser amount of grant
- change of use of a property to a use that would not be eligible for a grant
- demolition of a property where the site does not form part of a new social housing development by a RSL
- a disposal giving rise to a repayment of discount under Schedule 2 to the Housing Association Act 1985.

The Company amortises Social Housing Grants over the useful life of the properties, as required by Housing SORP 2014. Although the Company has no current plans to sell its housing land and buildings; if it were to, then Social Housing Grants may become repayable. The total contingent liability as at 31 March 2019 is £19,060,521 (2018 £15,649,000).

30 Prior Period Adjustments

During the year to March 2019 it was identified that some general overhead costs had been capitalised in prior accounting periods dating back as far as 2003. A detailed exercise was carried out to calculate the cumulative impact of the overhead capitalisation and the remaining values held on the Statement of Financial Position. As a result of this exercise, an adjustment of £3.4m has been made to write-off the residual balances remaining as at 31 March 2018 as shown in the table below.

In addition, a further prior year adjustment has been made in the 2018 accounts for the recognition of impairment depreciation costs relating to two development schemes where the values held for the schemes exceeded the realisable values for the developments. A total cost of £573k has been recognised in the restated 2018 accounts.

Restatement of Prior Year Reserves

	2017 £'000
Cumulative reserves as at 31 March 2017	39,277
Write back of overcapitlised overhead	(4,539)
Write back of overcapitlised overhead depreciation	1,341
Restated reserves as at 31 March 2017	36,079

	2018 £'000
Cumulative reserves as at 1 April 2017	36,079
Surplus for year	206
Actuarial gain	80
Restated reserves as at 31 March 2018	36,365

Building belief

from **Valleys to Coast**

Valleys to Coast