



Report and financial statements **2018-19**



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Directors, executive officers, advisors and bankers

The directors of the Selwood Housing Group who were in office during the year and up to the date of signing the financial statements were:

Group Board of Directors

Brian Cosstick to 2 October 2018 *	Bridget Wayman
John Noeken to 14 May 2018	Richard Britton
Margaret Haylock to 31 August 2018 ***	Martin Pain
Claudia Bailey to 1 May 2019	Lee O'Bryan ****
Ian Harries to 21 June 2018	Adam Sampson from 29 May 2018 to 3 October 2018
Sheila Lewis from 29 May 2018 **	Chris Butters from 16 November 2018
Martin Large from 25 June 2018	
Valerie Witcomb from 9 November 2018	

* chair to 2 October 18

** chair from 7 November 2018

*** vice chair to 31 August 2018

**** vice chair from 1 September 2018

Executive officers

Group chief executive	Barry Hughes
Group finance director	Diane Hall
Group people director	Ria Bristow
Group housing director	Verena Buchanan
Group development director	Paul Walsh
Group asset director	Chris George

Registered office

Bryer Ash Business Park
Bradford Road
Trowbridge
Wiltshire BA14 8RT

Advisors and bankers

Independent auditor	BDO LLP 55 Baker Street London W1U 7EU	Internal auditors	TIAA Limited 53-55 Gosport Business Centre Gosport PO13 0FQ
Principal funder	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW	Principal bankers	Lloyds TSB Bank 64 Fore Street Trowbridge Wiltshire BA14 8EU
Principal legal advisors	Trowers & Hamblins The Senate Southernhay Gardens Exeter EX1 1UG	Capsticks Solicitors LLP 1 St George's Road London SW19 4DR	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

Charity commission registration No 1141124

Company limited by guarantee - registration no. 4168336

Registered with the Regulator of Social Housing. LH4097

Welcome from the chair of our board of directors

I'm delighted to be the new chair of Selwood Housing Group's board of directors. Having worked in the housing sector for more than 40 years, I am very pleased to see how dedicated the group's staff are to providing services to existing customers and more affordable homes in the local area. The commitment of our staff is demonstrated through all that has been achieved in the past year.

The programme of in-depth assessments (IDA) started in 2015 and this February our IDA was carried out by the Regulator of Social Housing. The IDA is a detailed assessment of the group's governance and financial viability and I'm very pleased to say that we have retained the highest possible ratings in both areas, known as G1 and V1. This shows that our strategy is working and crucially, puts us in the best possible position to continue to deliver a vital service, providing affordable, local homes for our customers.

In 2018-19, we built 195 new affordable properties, providing local homes for up to 790 people. These included homes for social and affordable rent and shared ownership, giving more people access to a range of affordable homes on a secure basis.

Alongside this, we have continued to maintain and improve our existing homes. This included installing over 250 new kitchens, 60 bathrooms and 160 boilers as well as replacing windows at 526 homes. A programme of improvements at our sheltered schemes has also started, with communal area improvements at Shell Court, flat roof replacement at Orchard House and boiler replacements at Shell Court and Avondale.

We measure customer satisfaction and last year, our repairs service was rated as excellent or good by 86% of customers. This score was 83% for our planned maintenance service and for gas servicing was 93%. Overall customer satisfaction with our Silcoa operatives remained very high, averaging 96%.

We had a very good response to our tenant conversation survey, with over 1,000 customers getting involved to have their say and help shape our services. This feedback will also help us to plan for the future.

I very much enjoyed meeting Donna Broomham, chair of the group's scrutiny team, to learn more about their work. This independent group of Selwood Housing customers plays an important role in how we are run. They review, examine and challenge the way we deliver services and make sure customers' perspectives are taken into account. They do this on a voluntary basis, so a big thank you to all our scrutiny team members for their valuable input, which makes all the difference.

Through working with customers, our income team has achieved a rent arrears level of 1.24%. This is a further improvement on last year and ranks as one of the lowest in the country. The team's work includes supporting customers who receive Universal Credit to stay out of arrears, as well as supporting customers who are in arrears to reduce their debt.

Our new in-house shared ownership sales team has had great success, selling our 100th shared ownership home, with all surpluses reinvested to provide more affordable homes.

We also started to see the benefits of our new technology infrastructure, which helps us to provide a better, more cost-effective service to our customers. Our new systems and devices mean our staff can work securely when out and about in our communities and with customers, so we can be more responsive.

We're continuing to develop our website and social media channels, including new repairs pages on our website to make information clearer and easier to find. We know it's important that these services are available to everyone, so we also make sure there are alternatives for customers who do not have access to the internet.

We are pleased that our investment in developing our staff was recognised when we received the Investors in People silver accreditation in October. Giving our staff the opportunities to fulfil their potential will mean we can deliver excellent services for our customers.

We have also continued to provide opportunities for apprentices to gain job skills alongside a qualification, with five apprenticeships across the group last year. To hear from some of our current and past apprentices, watch the video we made to mark National Apprenticeship Week in March on our [website](#).

Staff enjoyed being part of some fantastic community projects last year too. Silcoa staff built a new sensory room for a care home in Shalbourne, Wiltshire, giving residents access to a quiet, safe, relaxing space. A team of staff also built an outdoor pizza oven at Studley Green Primary School in Trowbridge, which is now used to teach children about growing and cooking food, healthy eating and reducing waste.

Looking ahead, we will continue to focus on people and delivering excellent value for money services, as well as being easy for our customers to interact with. We will also keep our strong local focus, as we believe this is one of our key strengths, enabling us to provide better services and value for our customers.

I would like to personally thank our customers, scrutiny team, staff and board members for their support, which is vital to deliver our core purpose

of providing more affordable, local homes. I would also like to take this opportunity to thank Brian Cosstick, our previous chair who stood down as a board member last year.

Sf. L.

Sheila Lewis, chair

Group strategic report including the report of the board for the year ended 31 March 2019

The group board presents its report and audited consolidated financial statements of Selwood Housing Society Limited and its subsidiary undertakings, for the year ended 31 March 2019.

Selwood Housing Group

Selwood Housing Society Limited (Selwood Housing) is the parent company of Silcoa Limited, Cottsbury Homes Limited and Selwood DevCo Limited.

Selwood Housing is a company limited by guarantee governed by its articles of association. It is registered with the Charity Commission and the Regulator of Social Housing (RSH) and administered by a board of non-executive directors (the board).

Principal activities

The principal activities of the group are the development and provision of affordable housing, incorporating the letting, management and maintenance of dwellings for people in housing need and the provision of support services.

Overview of the business

The purpose of Selwood Housing is to develop, manage and maintain quality affordable housing and provide support services for the benefit of people in housing need.

We manage and maintain homes across Wiltshire, Bath, North East Somerset and the parts of the county of Somerset which are within 1 hour's drive of our head office in Trowbridge. We have a strong local presence and involvement with our local communities. We own 6,560 properties and are the largest social landlord in the West of Wiltshire.

Selwood Housing is regulated by the Regulator of Social Housing (RSH). RSH carried out an in-depth assessment in March 2019 and concluded that Selwood Housing meets the expectations on viability set out in the Governance and Financial Viability standard, meets the RSH's governance requirements and has the capacity to mitigate its exposures effectively, which is the highest category of assessment (G1/V1).

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Overview of the business *continued*

We have an active programme to develop new homes in our areas of operation, offering a range of affordable homes that meet the needs identified by our local authority partners. In addition to substantial investment in new homes, we are continuing a large programme of improvements to our existing properties.

We are committed to neighbourhoods, customers and excellence and we undertake a wide range of community activities. We provide lifeline services to our tenants.

Selwood Housing has three commercial subsidiaries, set up for specific purposes. They are all wholly owned by Selwood Housing and the profits they make stay within the group to support Selwood Housing's charitable objectives.

Silcoa Ltd is a property repairs and improvement company that seeks to provide a top-quality repairs and improvement service to its customers, Selwood Housing tenants.

Cottsbury Homes Ltd is a company that develops homes for market sale, although not currently active.

Selwood DevCo Ltd is the owner of photovoltaic (PV) panels which are installed on 115 properties owned by Selwood Housing.

Objectives and strategy

The board has referred to the Charity Commission's general guidance on public benefit when reviewing Selwood Housing's aims and objectives and in planning our future activities. In particular, the board has considered how planned activities for the year will contribute to the aims and objectives they have set.

Our strategy is underpinned by three guiding principles:

- To ensure our people are motivated, skilled and able to deliver for our customers
- To deliver excellent value for money services, and
- To be easy for our customers to interact with.

These principles will guide our work over the coming years. Our corporate plan develops these into the key areas for us to develop in the next few years, and specific targets for 2019/20.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Objectives and strategy *continued*

The key areas for us in the next few years are:

- Maximising the number of new homes, we are building whilst retaining our financial viability
- Implementing our asset management strategy to manage our homes for the best in the long-term
- Ensuring our governance structure delivers strong governance across the group in the most effective and efficient way possible
- Ensuring the services delivered by Silcoa offer excellent value for money
- Improve the use of ICT to deliver better value services

The specific targets for 2019/20 are:

- Implement our Investors in People action plan to move us towards the Platinum standard by 2021
- Deliver our change blueprint which is a series of projects to improve the way we work and get the best from our ICT systems
- Raise our profile as an organisation and, as part of this, build on our digital presence
- Implement the actions from the tenant conversation to improve our services and achieve customer satisfaction over 85%
- Continue to keep our customers safe through robust health and safety and compliance processes
- Deliver the detailed targets for all our core services, including the development of 200 new homes, arrears levels below 1.5% and continuing investment in existing homes in line with the 30-year programme of planned works

Selwood Housing's values

- Customer focused: by considering the impact on the customer of everything we do, we will deliver excellent services
- One team: we work together to achieve our shared goals
- Honest: we are open and realistic about what we can and can't achieve
- Dynamic: We are positive, energetic and continuously making progress

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Operational performance

Financial review

The group turnover in the year was £41.6m (2018: £38.6m). This represents an overall increase of 7.8% (2018: 6.5%). This increase is a combination of increased rental income from letting newly developed homes and increased income from shared ownership sales of £6.5m (2018: £4.3m). Together these more than offset the reduction in turnover resulting from reducing the rents on our existing homes by 1% in April 2018.

Operating costs were higher than last year at £24.9m (2018: £23.4m), in addition cost of sales increased to £3.7m (2018: £2.9m). The increase in cost of sales is related to the increase in shared ownership sales. Operating costs are higher than last year mainly due to increased spend on flat regeneration works, fire safety works and an investment in a new ICT infrastructure. Operating costs include depreciation charges of £6.9m (2018: £6.3m), a key accounting estimate. No impairment losses have been recognised in the year (2018: none).

The surplus from the sale of properties was higher than last year £1,563k (2018: £807k). The number of sales increased compared to last year. The level reflects take up of right to buy and right to acquire home ownership as well as our continued commitment to considering the suitability and efficiency of our properties.

The overall surplus for the Group in the year was £11.8m (2018: £10.1m). Our actual performance was better than anticipated in our long term financial plan.

Selwood Housing carries fixed assets in its financial statements at cost (not valuation). Selwood Housing's residential property asset base at cost was £436.1m as at 31 March 2019 (2018: £411.2m). This increase was a combination of the addition of newly developed homes and works to existing properties. The existing use value – social housing (EUV-SH) of Selwood Housing's properties was estimated to be in the region of £348m at 31 March 2019 (2018: £319m). The directors consider there is no impairment following an impairment review conducted as described in the notes to these accounts.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Operational performance *continued*

Selwood Housing finances its property assets through a loan facility of £110.4m (2018: £114.25m) made available by Nationwide Building Society and a £50m (2018: £50m) facility from Affordable Housing Finance Plc (AHF). At 31 March 2019 £100.4m (2018: £92.25m) of the Nationwide facility had been drawn down. This left £10m (2018: £22m) available from Nationwide. £50m (2018: £50m) of the AHF funding had been drawn down at year end.

The board of Selwood Housing Group has adopted a treasury management policy statement. This sets out the group's policies concerning all treasury management activities, including managing cash flow, borrowing, investing and hedging. In the financial year net cash inflow from operating activities of £18.2m (2018: £16.0m) helped to fund net cash spend on developing new homes after receipt of social housing grant of £25.4m (2018: £28.9m).

In the 2018/19 corporate plan Selwood Housing had a number of key areas of focus. Our achievements against each of those areas during 2018/19 include the following:

- Successfully retained the top ratings for governance and viability from the Regulator of Social Housing after our in-depth assessment.
- Achieved Investors in People Silver standard
- We completed a large survey of our tenants which showed lower customer satisfaction than we have had previously. It is a target for us to improve this again next year.
- Improved our materials processes in Silcoa to achieve time efficiencies and cash savings.
- Implemented a new HR system to support our work to improve the employee experience.
- Implemented a new ICT infrastructure to enable our staff to work more flexibly and support our future ICT developments
- We delivered the targets in our budget and value for money strategy
- We achieved the aims of the annual development plan, delivering 195 new affordable homes
- We have grown the number of visitors to our website and have grown our presence on social media.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Key risks

Financial risk management policy

Selwood Housing's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and covenant breach risk.

The main credit risk for Selwood Housing relates to non-payment of rents from tenants. We actively manage arrears ensuring tenancies are affordable for new tenants. We provide clear payment terms, a structured process of credit control and regular review of individual tenants' accounts.

The risk that Selwood Housing does not have sufficient liquid assets to carry on its activities is managed through active cash flow monitoring and forecasting.

Interest rate risk for Selwood Housing is particularly relevant with regard to its loan facility with Nationwide Building Society. Selwood Housing has in place a risk management programme and treasury management strategy that seeks to limit the adverse effects of interest rate fluctuations on its financial performance.

Covenant performance is monitored throughout the year by the board.

Selwood Housing is not directly exposed to commodity price or exchange rate risk as a result of its operations.

The group maintains effective control over the risks in the business through the regular review of a risk register for Selwood Housing and all its subsidiaries by the group audit and risk committee.

The Selwood Housing risk register identifies the most significant risks to the business, the causes of these risks, controls that are in place and mitigating actions that are being taken to reduce the impact and/or probability of those risks. It covers financial risks plus non-financial strategic and significant operational risks.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Key risks *continued*

The major net risks after controls that are identified on the risk register are:

- Failure to comply with health and safety obligations
- Failure to meet compliance requirements as a landlord
- Failure to effectively monitor, anticipate and respond to changes in the external environment
- Failure to recruit and retain a staff team that is skilled, motivated and productive within agreed resources
- Failure to comply with loan covenants
- Financial failure of deposit counterparty
- Failure to manage assets to comply with agreed standards and produce the planned financial and social returns
- Failure of the board to exercise good quality, strategic governance and risk management that complies with all legal and regulatory requirements
- Failure to achieve value for money of Selwood Housing's aspirations on top performance, median satisfaction and median cost per unit
- Failure to achieve the planned surplus and cash inflow from affordable home ownership sales, including first tranche sales and staircasing

Employees

Our ability to meet our objectives and commitments to tenants and other customers in an efficient and effective manner depends on the expertise, commitment and enthusiasm of all our employees. We take seriously the need to be an employer that recruits high calibre staff and motivates them to provide an excellent service to our tenants and other customers. This is a guiding principle in our Corporate Strategy, as described above.

The Selwood Housing Group provides information on its objectives, progress and activities through regular team meetings, staff briefings, CEO monthly updates and our staff forum. Selwood Housing seeks employees' views on how to improve services and on matters of common concern. The group is committed to diversity and equal opportunities for all its employees and runs specific courses for all staff covering equality and diversity issues. The group supports the employment of disabled people where possible, both in recruitment and in the retention of employees.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Environmental matters

Selwood Housing has an environmental strategy and action plan. Our main environmental impact is through the housing properties we own. Our newly developed properties achieve very high environmental standards and we are continuing to invest to improve the environmental performance of our existing housing properties. One of our key performance indicators is the average SAP rating achieved across all housing properties, which is a measure of their environmental performance.

Value for Money

Selwood Housing Group's approach to value for money (VfM)

One of the three guiding principles for Selwood Housing Group is to deliver excellent VfM in all our services and across the companies in the group.

Our VfM strategy is reviewed each year by the board. It sets out how we are working to continuously improve VfM across all of our activities. To achieve VfM we work to ensure we are doing the right things to help us achieve our social aims, and doing these things in the most effective,

efficient and economical way. VfM for Selwood Housing Group means achieving the optimum balance of performance, customer satisfaction and cost across its activities as an organisation.

Value for Money Standard (VfM)

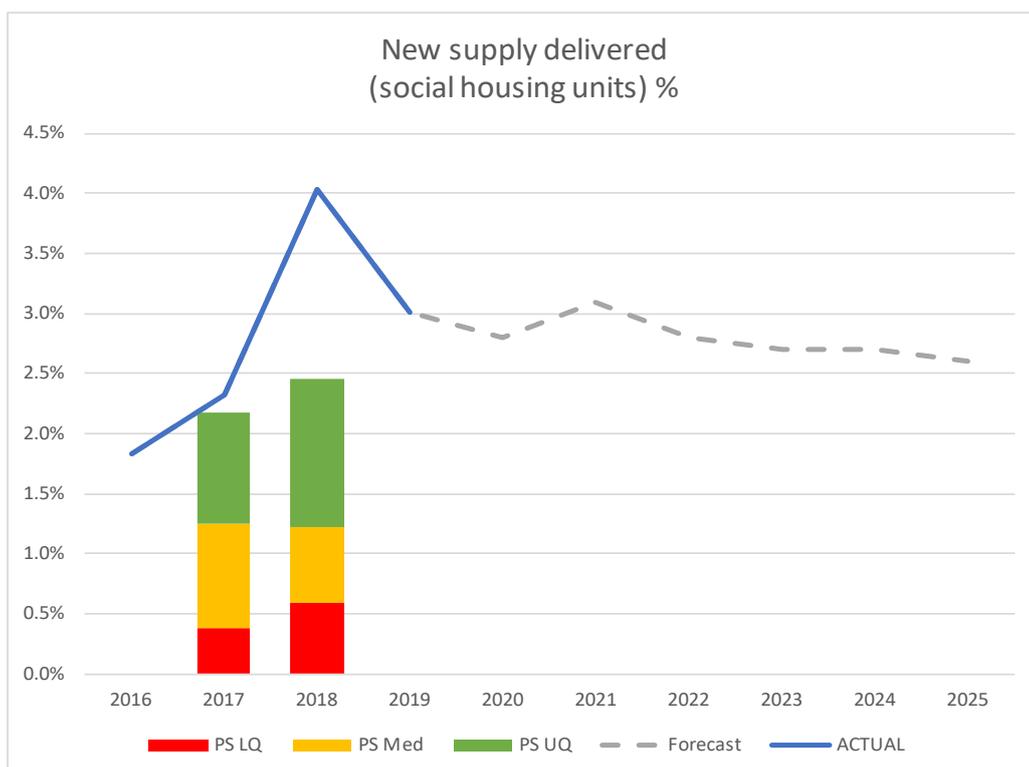
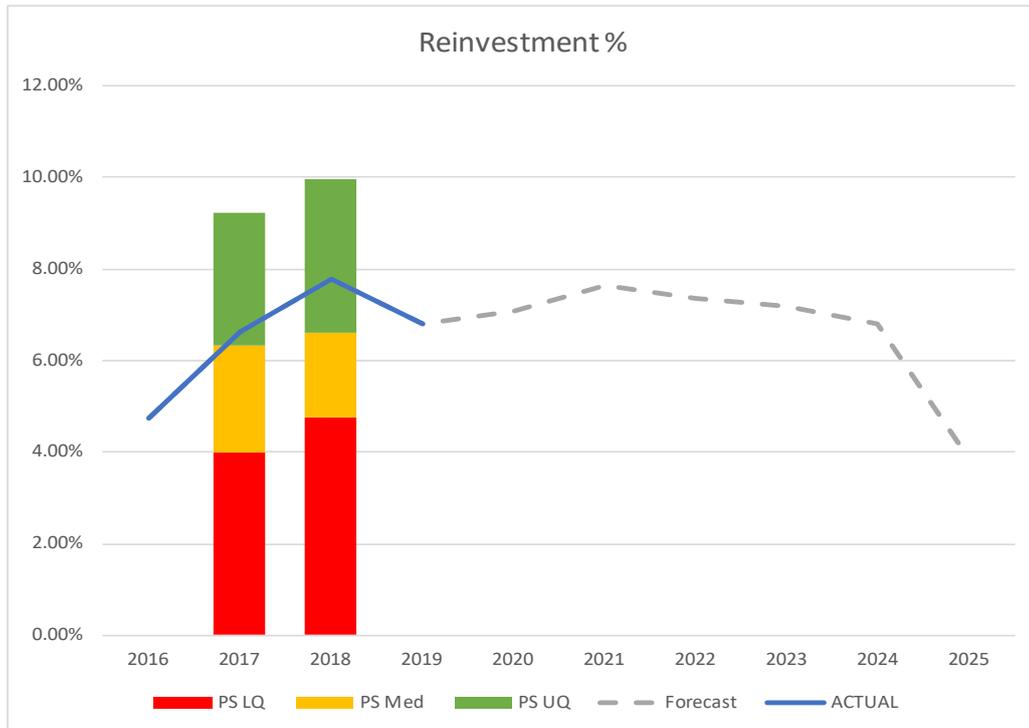
The Regulator of Social Housing (RSH) issued a new VfM Standard and a supporting Code of Practice which came into effect on 1 April 2018. The Standard requires registered providers to publish their performance against the following 7 VfM metrics in their annual accounts:

- Reinvestment %
- New supply delivered %
- Gearing %
- Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %
- Headline social housing cost per unit
- Operating Margin %
- Return on capital employed (ROCE) %

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money (*continued*)

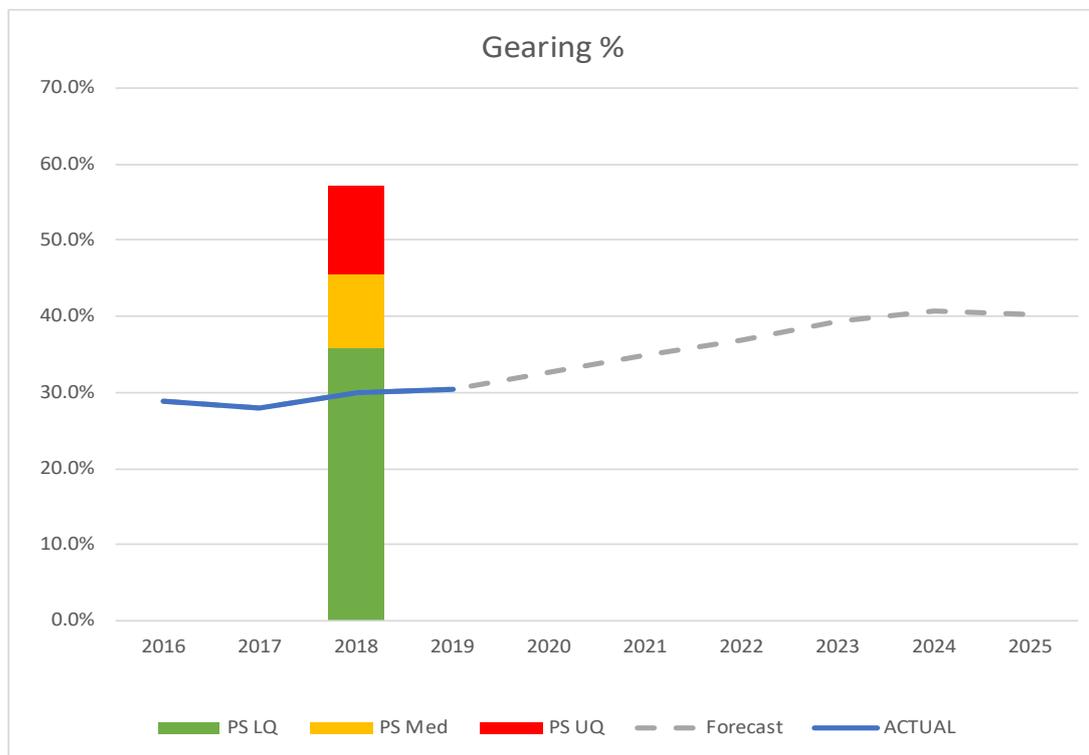
The following charts show our actual results for the past 4 years and forecasts going forward 6 years. We have compared our results with the March 2017 and 2018 PlaceShapers results, where these are available.



Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money (*continued*)

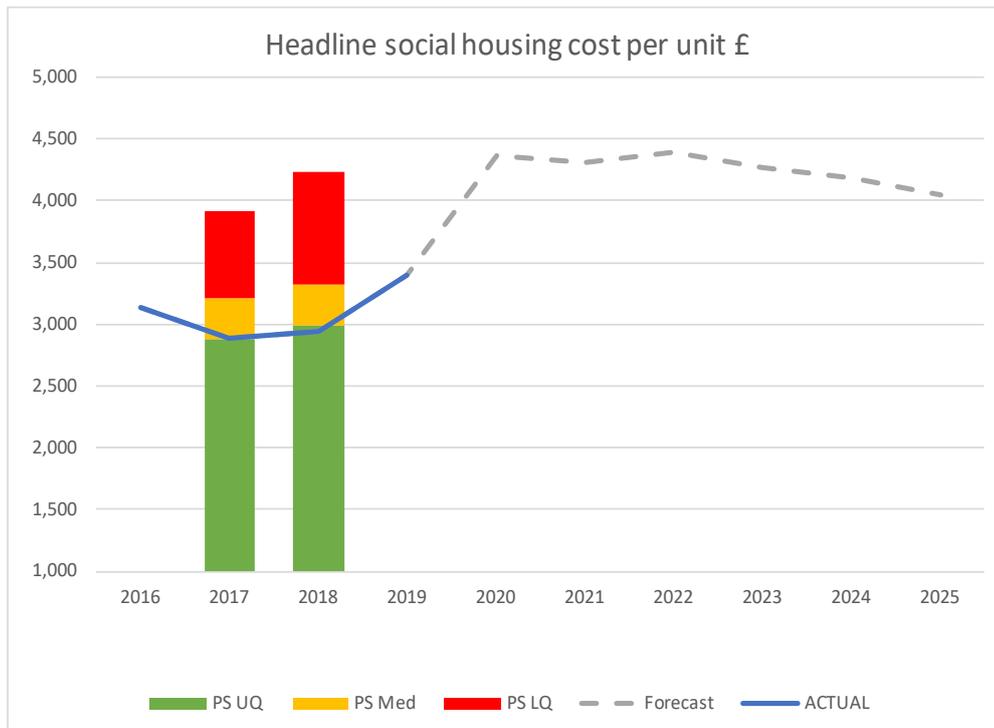
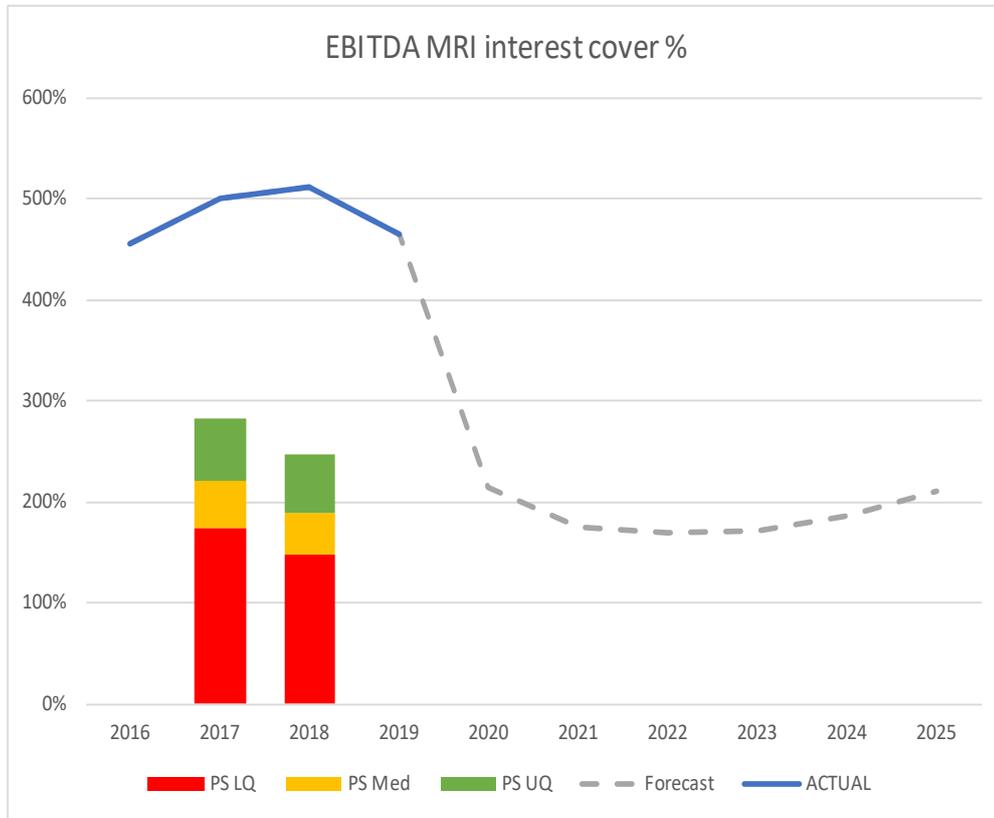
One of Selwood Housing’s key areas in the corporate plan is to develop 200 new homes per year. During the financial year 2018/19 we completed 195 new homes across Wiltshire, Mendip, Bath and surrounding areas. Across the whole development programme, the normal mix of homes are 70% for affordable rent and 30% for shared ownership. This mix limits our exposure to the housing market but gives us the flexibility to address need and demand scheme by scheme.



Quartiles for March 2017 are not included in the above graph because the sector scorecard gearing was on a different basis. Gearing increases as borrowing increases to fund our development programme but stays comfortably within the quartile of Placeshapers members who have the lowest gearing.

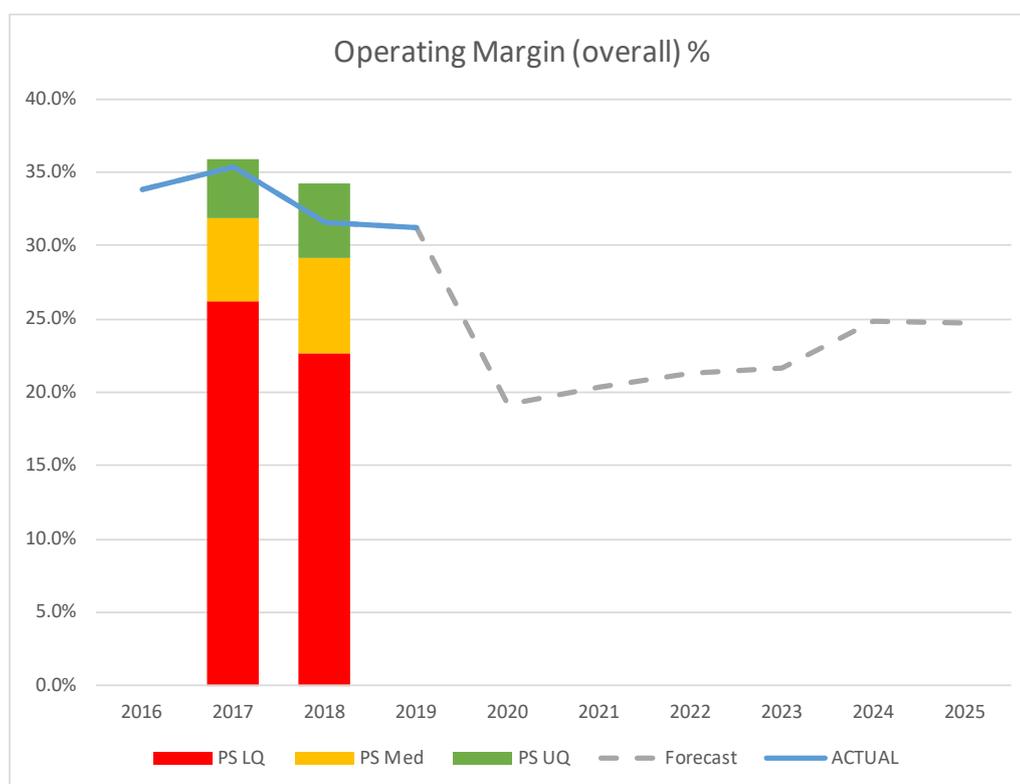
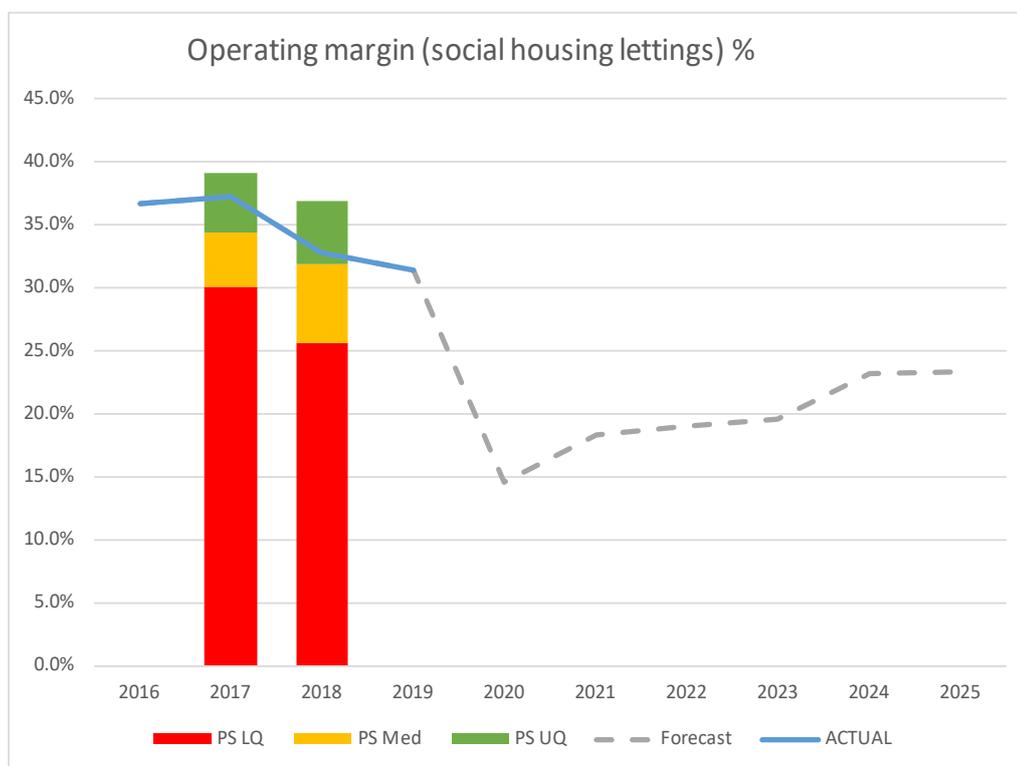
Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money *(continued)*



Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money *(continued)*

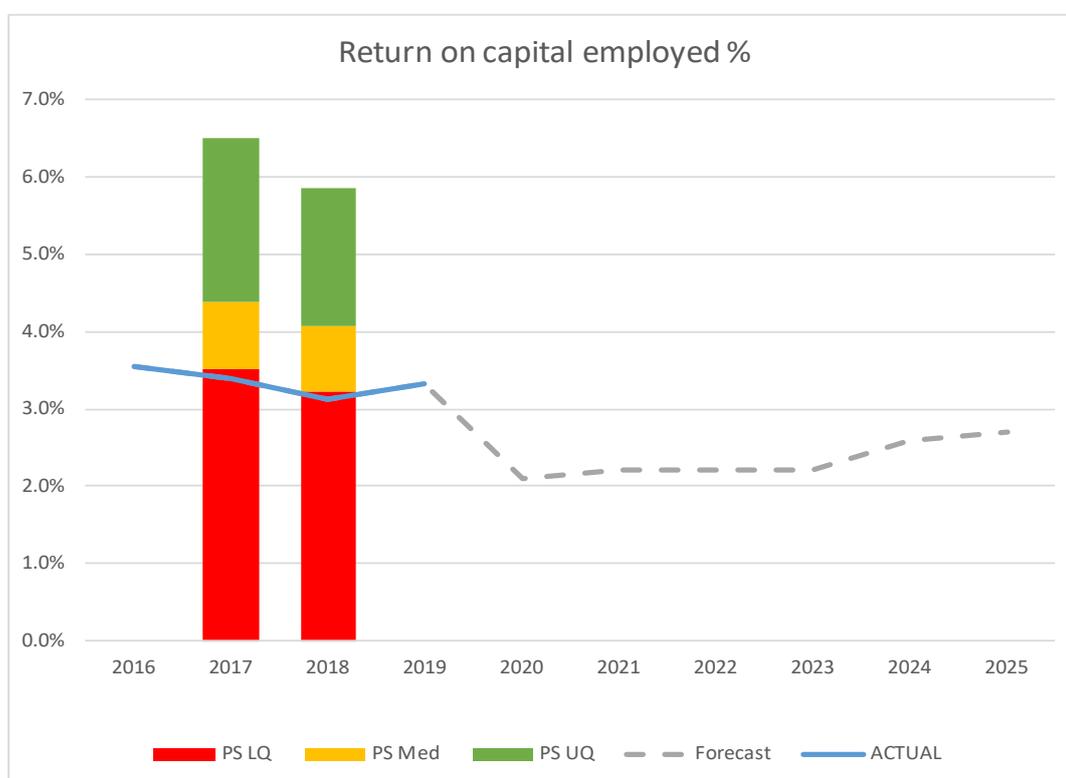


Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money (*continued*)

The increase in social housing cost per unit and resulting fall in social housing lettings operating margin are the result of Selwood Housing's board decision to invest in staff, systems and property during 2017/18. To help ensure we deliver our offer to our customers the number of staff has been increased.

Future cost per unit are forecast to increase further as a result of increased spend on planned works to existing properties.



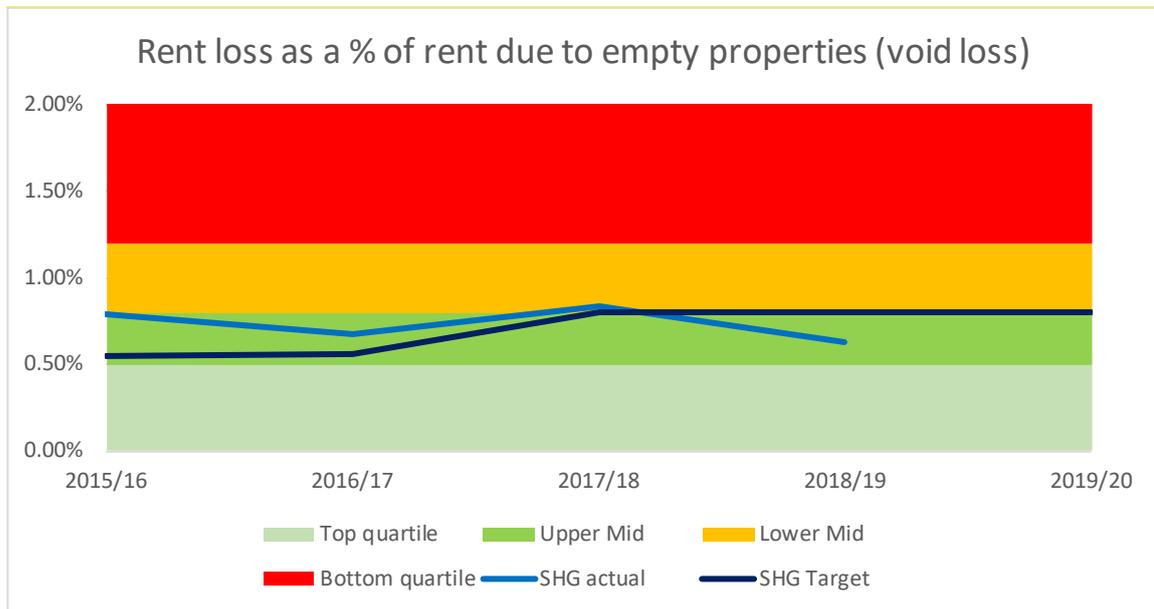
Selwood Housing's return on capital employed has been affected by a decision taken during the transition to FRS102 to take the option of carrying out a one-off valuation on a number of its housing properties and using that amount as deemed cost. This decision added circa £144m to the revaluation reserves on the balance sheet.

In addition to the indicators included in the VfM standard, two key areas of performance monitored by the board are rent loss due to empty properties as a percentage of rent due and current tenant arrears net of unpaid housing benefit as a percentage of rent due.

The graph compares the actual performance and target for Selwood Housing with the quartiles calculated by HouseMark for our benchmarking group during 2017/18:

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money *continued*

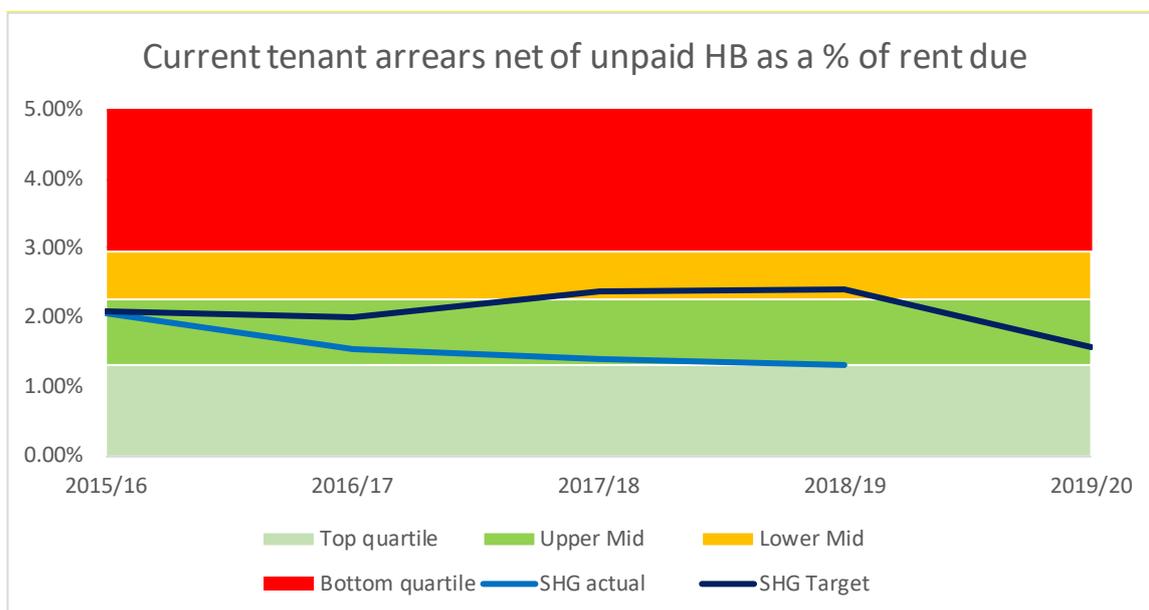


Selwood Housing let 121 new build homes and 354 re-lets during the year.

At the end of April 2019 void loss attributable to rented dwellings is 0.4%, showing continuous improvement in performance.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money *continued*



Rent arrears continue to drop and we continue to work hard to tackle the risks posed to rental income by Universal Credit which went live in Wiltshire (our main operating area) in July 2017.

We now have 1,200 customers on the new benefit. This is about half of what we expect to go over. Migration is due to slow down as the DWP explores the best approach to migrate the remaining claimants, most of whom are tax credit claimants.

Around one quarter of claimants are in alternative payment arrangements (APAs) and we are proactive in applying for these for our customers, this has a beneficial effect on the payment performance on these accounts. APAs are not permanent arrangements but they allow us to work with the customer to prepare them for the time that their housing element is paid directly to them thus preventing steep arrears increases that are hard for the customer to pay off in the future.

This year’s performance is so far below target of 2.41% because we expected far more claimants to migrate across to universal credit (nearly 2,000, which was in line with DWP plans) and we expected the average universal credit arrear to be higher than it was (£303 compared to an actual of £268).

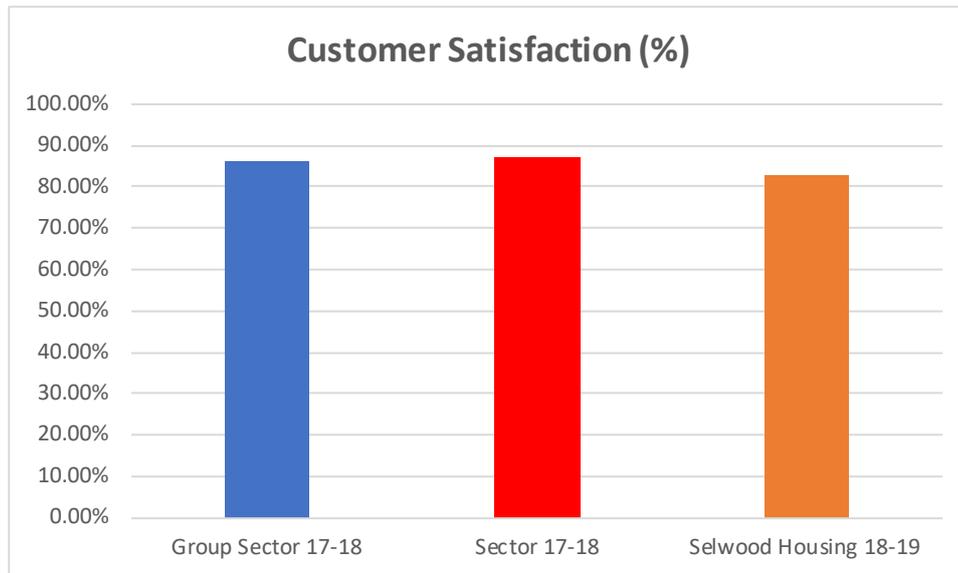
As we became aware universal credit would not have the impact we expected we reduced our target internally to 1.23%. We did not achieve this stretch target but came close to it.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Value for Money *continued*

Our target for 2019 - 20 will be 1.58%

Another key indicator for the board is customer satisfaction, which is shown below on the Sector scorecard basis.



Our corporate plan principles include one focused on us being easy, for our customers, to do business with, this is in direct response to customer dissatisfaction about speed of response and ease of access to our services. We will be investing in a digital platform where our customers can access services at a time and place that suits them and their lifestyle.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Reserves policy

Selwood Housing's reserves are invested in its properties. They have been used to fund the development of new homes for letting to people in housing need and the improvement and replacement of components in existing properties. They provide working capital and help Selwood Housing to maximise its borrowing capacity. Selwood Housing sets a target for reserves in its 30-year business plan and ensures that actual reserves stay in line with the plan.

Regulatory standards

The board undertook a review of Selwood Housing's compliance with the Regulator of Social Housing's governance and financial viability standard in May 2019 and the board concluded that Selwood Housing complies with the standard.

Governance

Selwood Housing is fully committed to the principles of openness, accountability, and competence. We welcome and support the principal recommendations laid down in the National Housing Federation's Excellence in Governance, Code for members (revised 2015). The code was reviewed by the board in May 2019. The board concluded that we are fully compliant with the code.

Board and executive composition

At 31 March 2019 Selwood Housing's Group board was made up of four female and five male directors. The senior management team was made up of three male and three female members.

Committees of the group board

During the year the following committees were in operation:

- The group audit and risk committee have oversight of risk management, external and internal audit and reviews the fraud register at each meeting. At 31 March 2019 the members of the group audit and risk committee were Richard Britton, Martin Pain, Martin Large, Chris Butters and Valerie Witcomb. Mary Firth is a board adviser sitting on the group audit and risk committee.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Committees of the group board *continued*

- The group remuneration and governance committee consider the annual pay review for staff of Selwood Housing, any other remuneration issues, HR policies and all governance issues. This committee was dissolved in April 2018 and all issues and policies are reviewed by the full board.
- The group asset and development committee considers and makes recommendations to the board in respect of matters relating to repairs and maintenance, planned and cyclical works, health and safety, compliance and any other property related matter that needs board consideration. At 31 March 2019 the members of the assets committee were Sheila Lewis, Martin Pain, Claudia Bailey, Bridget Wayman and Martin Large.

All other matters including strategy and business planning and other financial matters are considered directly by the full group board.

Board and executive directors

The group board and executive directors of Selwood Housing who served during the financial year are listed on page 1. The group board comprises of nine members, who are regarded as non-executive directors for legal purposes.

The board is responsible for the governance of Selwood Housing Group, meeting to:

- determine and monitor the strategic direction of Selwood Housing Group;
- agree policies and a framework for control and delegation to committees and the executive team;
- set targets for Selwood Housing Group and monitor performance against those targets; and
- consider reports from the executive team on a range of issues
- ensure Selwood Housing Group has an appropriate risk management strategy and register in place, which are regularly reviewed.

Board members regularly participate in training and development to ensure they maintain and develop their skills and have a high level of awareness of current issues in the social housing sector.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Board and executive directors *continued*

Board members undergo a formal appraisal of performance on an annual basis. The format of the appraisal involves a review of each individual's performance over the year and an assessment of training, skills and development needs.

Each board member is expected to take responsibility for fulfilling their training plan while Selwood Housing Group is committed to ensuring that resources are in place to enable this. As part of the appraisal process the board also considers its collective effectiveness in delivering the aims and objectives in the corporate plan.

At 31 March 2019, the executive directors consisted of the group chief executive, the group finance director, the group development director, the group asset director, the group housing director and the group people director.

Insurance policies indemnify board members and staff against liability when acting for Selwood Housing. These policies were in force throughout the financial year and at the date of approval of the financial statements. The indemnity is a qualifying third-party indemnity.

Board members are recruited on the basis of selecting skill sets, the demographic make-up and experience that are required for the existing board.

Candidates are short-listed by the interview panel made up of the group chief executive, two appropriate board members and the group people director against the board director specification, which is contained in Selwood Housing's governance manual. Interviews are carried out by the interview panel and the best candidate for the role is selected. The procedure used is full, fair and inclusive. Each new board member goes through a structured induction.

Remuneration

Board members are remunerated for their services and are entitled to claim out of pocket expenses such as travelling. Travel costs to and from Selwood Housing's offices are reimbursed as a taxable benefit. Some board members choose not to reclaim their travel costs.

Payments to board members are shown in note 10 to the financial statements, which shows the actual payments in the financial year, the level of payments and the proportion which the total amount paid forms of Selwood Housing's annual turnover.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Remuneration *continued*

Any changes in remuneration do not take effect until approved by the company in general meeting and increases to board members' remuneration do not take effect more frequently than once every three years.

During the financial year ended 31 March 2019 there were no changes to board pay.

The board decides the pay and benefits of the executive directors and also agrees the terms on which the chief executive can set other staff salaries, within the agreed market pay based framework.

The executive directors are either members of the Wiltshire Pension Scheme or members of the group personal pension plan, depending on when they joined the organisation. They participate in the scheme on the same terms as all other eligible staff.

Selwood Housing contributes to the scheme on behalf of all eligible staff and does not offer alternative benefits such as cars.

Information on the executive directors' remuneration is included in note 9 to the financial statements. There are no service contracts for executive directors. They are employed on similar terms to other staff, with a notice period of three months.

Tenant involvement

We completed our regulatory tenant conversation this year. A panel of board, scrutiny and staff worked together to develop a short survey. We had over 1000 responses, conducted several workshops and also interviewed our staff about our current involvement offer.

The conversation supported other research that showed our tenant population is becoming younger. They are time poor (working) but the numbers who want to become involved are high. They want to interact with us and influence our services in way that reflects their interaction with organisations i.e. digitally and at home. The board has agreed the scope of our new involvement offer to customers, which includes a greater focus on these two elements of involvement as well as continuing with most of our traditional methods (where appropriate) and maintaining the same level of community development activity.

Customers want to focus on repairing and improving homes. ASB and the compliance (safety) aspects of managing their homes.

Group strategic report including the report of the board for the year ended 31 March 2018 *continued*

Tenant involvement *continued*

The findings of the conversation and the new offer from part of the new tenant involvement strategy which will be signed off by board by October 2019.

The scrutiny team continue to do valued work, conducting reviews in voids and former tenant reviews last year as well as being involved in a case review with other board members following a stage three complaint. The team is back up to optimum levels of eight following a further recruitment campaign. Our new involvement strategy recognises the fact that scrutiny recruitment will be a constant involvement activity.

Internal controls assurance

The board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The board receives and considers annual reports from the group audit and risk committee and management on the management of risk and control arrangements. The group audit and risk committee reviews the risk register at each of its quarterly meetings. It reports the outcome of these quarterly reviews to the board through its minutes. The group audit and risk committee also ensure that appropriate corrective action is taken where necessary.

The process for identifying, evaluating and managing the significant risks faced by Selwood Housing is ongoing, and has been in place prior to and throughout the period commencing 1 April 2018 up to the date of approval of the annual report and financial statements. Selwood Housing has a system for administering risk management which puts emphasis on ensuring that good controls are in place and are effective.

The arrangements adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- The articles of association, governance manual and financial regulations
- A set of delegated powers detailing the responsibilities of the committees, the group chief executive and the executive team
- Policies and procedures covering all major areas of activity

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Internal controls assurance *continued*

- A corporate plan setting out Selwood Housing's mission and key corporate objectives
- A risk management strategy including a risk register with a procedure for updating, reviewing and reporting that strategy
- An internal audit programme linked to the risk register
- External audit reports
- The 30-year business planning model – reviewed at least annually by the board
- An annual budget agreed before the beginning of each financial year
- Monthly management accounts and performance reports to the board and the executive team
- Review of the fraud register at each group audit and risk committee meeting

During the financial year the board conducted an annual review of Selwood Housing's governance arrangements.

The board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the group audit and risk committee to review the effectiveness of the system of internal control regularly. The board receives minutes from each committee meeting.

The means by which the group audit and risk committee reviews the effectiveness of the system of internal control include considering internal audit reports, management assurances and the external audit reports. The committee agrees and monitors a three-year rolling programme of internal audit reviews, which have been undertaken by an independent audit firm, TIAA Limited.

The group audit and risk committee has received the executive team's annual review of the effectiveness of the system of internal control for Selwood Housing, together with the annual report of the internal auditor and has reported its findings to the board.

The internal auditors concluded in their annual report that "TIAA is satisfied that, for the areas reviewed during the year, Selwood Housing Group, has reasonable and effective risk management, control and governance processes in place". The board has in turn conducted its own annual review of the effectiveness of the system of internal control and considers there is nothing adverse to bring to the attention of company members.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Donations

Selwood Housing's charitable donations were £1,900 (2018: £5,398) during the year to 31 March 2019. In addition to this we allow various community groups to utilise the People's Place, Hub and four garages free of charge. We estimate the rental income foregone on these to be equal to donations of around £14,680.

Statement of responsibilities of the board

The board are responsible for preparing the strategic report, annual report and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law 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 of the group and company and of the surplus of the group and company for that period.

In preparing these financial statements, the board are required to:

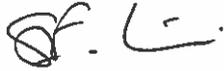
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed and the Statement of Recommended Practice for registered social housing providers 2018, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019. They are 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.

Group strategic report including the report of the board for the year ended 31 March 2019 *continued*

Approval

The report of the board of directors including the strategic report was approved by the board on 3 July 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S. Lewis'.

Sheila Lewis
Chair
3 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELWOOD HOUSING SOCIETY LIMITED

Opinion

We have audited the financial statements of Selwood Housing Society Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated and company statement of comprehensive income, the consolidated and company statements of changes in reserves, the consolidated and company statement of financial position, the consolidated cash flow statement 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 Group's and of the Company's affairs as at 31 March 2019 and of the Group's and the Company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 Group and 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 directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or 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 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.

In connection with our audit of the financial statements, our responsibility is to read the other information including the letter from the chair and Group Strategic Report including the operating and financial review 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Report of the Board have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of board trustees' remuneration specified by law are not made; 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 responsibilities of the board set out on page 27, 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 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 are responsible for assessing the Group and 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 either intend to liquidate the Group or 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

This report is made solely to the members of the Company, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. 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.

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.

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. This description forms part of our auditor's report.



Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date: 15 July 2019

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

Selwood Housing Society Ltd

Consolidated and company statement of comprehensive income for the year ended 31 March 2019

	Note	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Turnover	4	41,615	38,598	42,419	38,579
Cost of sales	4	(3,696)	(2,899)	(3,696)	(2,899)
Operating costs	4	(24,909)	(23,393)	(25,726)	(23,791)
Gain on disposal of fixed assets	11	1,563	807	1,563	807
Loss on disposal of subsidiary		0	(131)	0	0
Operating surplus		14,573	12,982	14,560	12,696
Other interest receivable and similar income		218	109	207	106
Interest and financing costs	12	(2,860)	(2,833)	(2,860)	(2,833)
Other finance costs	27	(160)	(193)	(160)	(193)
Movement in fair value of investment properties	16	12	23	12	23
Surplus before taxation		11,783	10,088	11,759	9,799
Taxation on surplus	13	(10)	21	0	0
Surplus for the financial year		11,773	10,109	11,759	9,799
Actuarial (losses) / gains on defined benefit pension scheme	27	(1,136)	1,639	(1,136)	1,639
Total comprehensive income for year		10,637	11,748	10,623	11,438

The notes on pages 38 to 82 form part of these financial statements.

All activities relate to continuing operations.

Charity Commission Registration No 1141124
 Company Limited by Guarantee - Registration No. 4168336
 Registered with the Regulator of Social Housing No. LH4097

Selwood Housing Society Ltd

Consolidated and company balance sheets at 31 March 2019

	Note	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Fixed assets					
Tangible fixed assets - housing properties	14	402,959	384,021	402,959	384,021
Tangible fixed assets - other	15	4,050	3,424	3,610	2,956
Investment properties	16	1,185	1,173	1,185	1,173
Investments in companies	17	25	0	1,375	1,350
		<u>408,219</u>	<u>388,618</u>	<u>409,129</u>	<u>389,500</u>
Current assets					
Stocks	19	3,347	2,751	3,226	2,716
Debtors - receivable within 1 year	20	3,311	2,655	3,178	2,510
Cash and cash equivalents	20a	30,102	29,614	28,519	28,146
		<u>36,760</u>	<u>35,020</u>	<u>34,923</u>	<u>33,372</u>
Creditors: amounts falling due within 1 year	21	<u>(7,671)</u>	<u>(7,214)</u>	<u>(7,188)</u>	<u>(6,877)</u>
Net current assets		<u>29,089</u>	<u>27,806</u>	<u>27,735</u>	<u>26,495</u>
Total assets less current liabilities		<u>437,308</u>	<u>416,424</u>	<u>436,864</u>	<u>415,995</u>
Creditors: amounts falling due after more than 1 year	22	<u>(186,145)</u>	<u>(177,104)</u>	<u>(186,145)</u>	<u>(177,104)</u>
Net assets excluding pension liability		251,163	239,320	250,719	238,891
Provision for deferred tax	32	(9)	(8)	0	0
Pension liability	27	<u>(7,198)</u>	<u>(5,993)</u>	<u>(7,198)</u>	<u>(5,993)</u>
Net assets		<u>243,956</u>	<u>233,319</u>	<u>243,521</u>	<u>232,898</u>
Capital and reserves					
Income and expenditure reserve		105,907	93,235	105,471	92,814
Revaluation reserve		<u>138,049</u>	<u>140,084</u>	<u>138,050</u>	<u>140,084</u>
		<u>243,956</u>	<u>233,319</u>	<u>243,521</u>	<u>232,898</u>

The notes on pages 38 to 82 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 3 July 2019



Sheila Lewis
Chair



Diane Hall
Secretary

Selwood Housing Society Ltd

Consolidated statement of changes in reserves for the year ended 31 March 2019

Group	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2017	79,761	141,810	221,571
Surplus for the year	10,109	0	10,109
Actuarial losses on defined benefit pension scheme	1,639	0	1,639
Total comprehensive income	11,748	0	11,748
Transfer from revaluation reserve to income and expenditure	1,727	(1,727)	0
Opening funds April 2018	93,236	140,083	233,319
Surplus for the year	11,773	0	11,773
Actuarial losses on defined benefit pension scheme	(1,136)	0	(1,136)
Total comprehensive income	10,637	0	10,637
Transfer from revaluation reserve to income and expenditure	2,034	(2,034)	0
Closing total funds March 2019	105,907	138,049	243,956

The notes on pages 38 to 82 form part of these financial statements.

Selwood Housing Society Ltd

Company statement of changes in reserves for the year ended 31 March 2019

Company	I&E Reserve £'000	Revaluation Reserve £'000	Total £'000
Opening funds April 2017	79,649	141,811	221,460
Surplus for the year	9,799	0	9,799
Actuarial losses on defined benefit pension scheme	1,639	0	1,639
Total comprehensive income	11,438	0	11,438
Transfer from revaluation reserve to income and expenditure	1,727	(1,727)	0
Opening funds April 2018	92,814	140,084	232,898
Surplus for the year	11,759	0	11,759
Actuarial gains on defined benefit pension scheme	(1,136)	0	(1,136)
Total comprehensive income	10,623	0	10,623
Transfer from revaluation reserve to income and expenditure	2,034	(2,034)	0
Closing total funds March 2019	105,471	138,050	243,521

The notes on pages 38 to 82 form part of these financial statements.

Selwood Housing Society Limited

Consolidated group cash flow statement for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Surplus for the financial year		11,773	10,109
Adjustments for:			
Depreciation of fixed assets - housing properties	14	6,438	5,697
Depreciation of fixed assets - other	15	384	338
Amortised grant	23	(505)	(347)
Interest payable and finance costs		3,020	3,026
Interest received		(218)	(109)
Difference between net pension expenses and cash contribution		(91)	(14)
Proceeds from sale of fixed assets- housing properties	11	(3,262)	(2,079)
Increase in trade and other debtors		(656)	(86)
Increase in stocks		(596)	(1,761)
Increase / (decrease) in trade and other creditors		129	(121)
Carrying amount of disposals		1,754	1,272
Movement in fair value of investment properties		0	124
Cash from operations		18,170	16,049
Taxation paid		10	(4)
Net cash generated from operating activities		18,180	16,045
Cash flows from investing activities			
Proceeds from sale of fixed assets - housing properties	11	3,262	2,079
Purchase of fixed assets - housing properties	14	(25,350)	(29,717)
Purchase of fixed assets - other	15,17	(1,036)	(728)
Receipt of grant	23	0	836
Interest received		218	109
Net cash from investing activities		(22,906)	(27,421)
Cashflows from financing activities			
Interest paid	12	(2,860)	(2,833)
Taxation Paid		(10)	0
New loans - other	26	8,084	12,265
Net cash used in financing activities		5,214	9,432
Net increase / (decrease) in cash and cash equivalents		488	(1,944)
Cash and cash equivalents at beginning of year		29,614	31,558
Cash and cash equivalents at end of year		30,102	29,614

The notes on pages 38 to 82 form part of these financial statements.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

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Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

1 Legal status

Selwood Housing is incorporated in England and Wales under the Companies Act 2006 and is registered with the Regulator of Social Housing as a Registered Social Landlord as defined by the Housing Act 2008. Selwood Housing is a company limited by guarantee. The guarantors are the company members. Selwood Housing is registered with the Charity Commission. The address of the registered office is given on page 1 and the nature of the groups operations and principal activities are set out in the strategic report. The Society is a public benefit entity.

2 Accounting policies

All accounting policies have been applied consistently year to year.

Basis of accounting

The financial statements of Selwood Housing have been prepared in accordance with applicable law and accounting standards in the United Kingdom, FRS 102 "the Financial Reporting Standard in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP): Accounting by registered social housing providers (update 2018) and the Accounting Direction for Private Registered Providers of Social Housing 2019. The group and company has early adopted Amendments to FRS 102 – Triennial Review 2017 in these financial statements. The policies applied under the previous version of FRS102 are not materially different and no restatement of reserves or surplus is required.

The accounts are prepared under the historic cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

Consolidation

The consolidated financial statements incorporate the results of Selwood Housing Society Limited and all of its subsidiary undertakings for the year ended 31 March 2019. Intra-group transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Going concern

After making enquiries and reviewing the financial plan, the board has a reasonable expectation that the company and the group have adequate

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies *(continued)*

resources to continue in operational existence for the foreseeable future.

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

Turnover

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding value added tax (VAT)) of goods and services supplied in the year and revenue grants receivable in the year. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the legal completion of sale. Income from the supply of goods and services is recognised when those goods or services are provided. Income is measured at the fair value of the consideration received or receivable. All turnover arises in the UK.

Grant income (non-Social Housing Grant)

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income as it becomes receivable. Where grant income received is conditional upon the completion of certain targets and is returnable to the grant giver if the targets are not met, the income is credited to the Statement of Comprehensive Income as the targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

Other grants are receivable from local authorities and other organisations. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Value added tax

Selwood Housing is registered for VAT. All amounts disclosed in the financial statements are adjusted to reflect Selwood Housing's agreed method for the treatment of VAT and the financial statements include VAT to the extent that is suffered by the group and is not recoverable from HM Revenues and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies *(continued)*

Taxation

Selwood Housing is a registered charity and as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Qualifying Charitable Donations of Subsidiaries

The parent company only recognises gift aid income when a qualifying charitable donation is paid by a subsidiary.

Interest

Interest is capitalised on borrowings used to fund new development under construction for the period until the property is available for letting.

Other interest payable, interest receivable and related funding costs are charged to the Statement of Comprehensive Income in the year incurred.

Pensions

Defined benefit scheme

Selwood Housing participates as an admitted body in the Local Government Pension Scheme administered by Wiltshire Council, a defined benefit final salary scheme. The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets and any other changes in fair value of the assets and present value of liabilities, are recognised in the accounting period in which they arise.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of Selwood Housing's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies *(continued)*

liabilities arising from the passage of time are included in operating surplus. Actuarial gains and losses are recognised in the Statement of Comprehensive Income. This pension scheme was closed to new members on 1 October 2010.

Defined contribution scheme

Selwood Housing also participates in a defined contribution scheme where the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Holiday pay accrual

A liability is recognised to the extent any unused holiday pay entitlement has accrued at the year end and is material; it is carried forward to future periods.

Housing properties

Housing properties are principally dwellings available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Development administration costs are capitalised on an apportionment of the staff time spent on this activity up to the point where the property is available for letting.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property to the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Works to existing properties which replace a component that has been treated separately for depreciation purposes are capitalised and the replaced component treated as disposed of in the year of replacement.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies *(continued)*

The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Deemed cost on transition to FRS 102

On transition to FRS 102 the Group took the option of carrying out a one-off valuation exercise of selected housing properties and using that amount as deemed cost. The Group engaged independent valuation specialist Jones Lang LaSalle (JLL) to value properties on an existing use social housing (EUV-SH) basis to determine the deemed cost as at 1 April 2014. The adoption of the deemed cost option resulted in a net increase in fixed assets as at 1 April 2014 of £144.4m revaluation gains which was credited to the revaluation reserve.

Depreciation of Housing properties

Selwood Housing depreciates its housing properties by component on a straight-line basis over the estimated useful economic lives of component categories. Freehold land is not depreciated.

The useful economic lives of the components are as follows:

Structure	100 years
Roofs	60 years
Windows	25 years
Bathrooms	25 years
Kitchens	20 years
Boilers	15 years
PV panels	20 years
Fixtures & Fittings	10 years

Housing properties under construction are not depreciated until practical completion. A full year's depreciation is charged in the year the property is first available for letting.

Impairment

Housing properties, which are depreciated over a period in excess of 50 years, are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies (continued)

Where there is evidence of impairment, a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

Where necessary, fixed assets are written down to the recoverable amount, being the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. Any such write down is charged to operating surplus.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England. Where properties are held at deemed cost under the transition to FRS102, the related SHG was initially recognised under the performance model. Subsequent grant is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the balance sheet and released to the statement of comprehensive income on a systematic basis over the useful economic life of the structure of the property.

If SHG is received in respect of revenue expenditure, it will be credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property may be repayable but is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

Other tangible fixed assets and depreciation

Other fixed assets are stated at cost less depreciation. Cost includes the purchase price of the asset and any costs incurred in bringing the asset into use. Depreciation is provided to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis.

• Office premises	-	50 years
• PV Panels	-	20 years
• Motor Vehicles	-	5 years
• IT tangible assets (where costs exceed £2k)	-	5 years
• IT intangible assets (where costs exceed £2k)	-	5 years
• Plant and Equipment	-	5 years

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies *(continued)*

Freehold land is not depreciated.

Where website and software costs can be treated as either tangible or intangible assets, they are treated as tangible fixed assets by the group.

Gains or losses arising on the disposal of other fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Shared ownership first tranche sales, completed properties for outright sale and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour, capitalised interest and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Recoverable amount of rental and other receivables

The Group estimates the recoverable value of rent and other receivables and impairs the debtor by appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt and the class of debt.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Schemes managed by agents

In accordance with financial reporting standards, where the risks and rewards of running the scheme accrue to the managing agent the Statement of Comprehensive Income includes only that income and

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies *(continued)*

expenditure which relates solely to Selwood Housing. Revenue is recognised as services are provided.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of 95 days or less.

Short-term investments

Investments are stated at the lower of cost or market value.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. These properties are held at fair value determined annually by external valuers. Any changes in fair value are recognised in the Statement of Comprehensive Income. No depreciation is provided.

In the Company's individual financial statements, investment properties rented to other group companies are classified as freehold office (other tangible fixed assets) and held at historical cost less depreciation and impairment.

Loans

All loans held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price (the amount of cash received including any loan premiums) less any transaction costs. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost using

the effective interest rate method. The group has calculated that the difference between the historical cost basis amortising costs and premiums on a straight-line basis and the application of the effective interest rate method is not material and so loan transaction costs and premiums are amortised to the income and expenditure account on a straight-line basis over the term of the loan.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

2 Accounting policies *(continued)*

Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

Sinking funds

All sinking funds are dealt with as creditors.

Revaluation reserve

The difference on transition to FRS 102 between the deemed cost of social housing properties and the historical cost carrying value is credited to the revaluation reserve. The difference between historical cost depreciation and depreciation charged on the deemed cost is transferred from the revaluation reserve to the income and expenditure reserve each year

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the income statement in other operating expenses. The Group estimates the recoverable value of rental and other receivables and impairs the debtor by appropriate amounts.

The Group has made arrangement with individuals and households for arrears payments of rent and service charges. These arrangements are effectively loans granted at nil interest rate.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- Whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The board have also considered impairment based on their assumptions to define cash or asset generating units. A comparison of the cost of developing equivalent or similar assets has shown there is no impairment at a property asset level.
- The anticipated costs to complete on a development scheme based on anticipated construction cost, the effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, the board then determine the recoverability of the cost of properties developed for outright sale and / or land held for sale. This judgement is also based on the board's best estimate of sales value based on economic conditions within the area of development.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates or inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- Whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The appropriate allocation of costs for mixed tenure developments and furthermore the allocation of costs relating to shared ownership between current and fixed assets.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

3 Judgements in applying accounting policies and key sources of estimation uncertainty *(continued)*

- The categorisation of housing properties as investment properties or property, plant and equipment, based on the use of the asset.
- What constitutes a cash generating unit (CGU) when indicators of impairment require there to be an impairment review. Selwood Housing considers those properties revalued to deemed cost on adoption of FRS102 and within specific schemes as CGU's.

Other key sources of estimation uncertainty

- Tangible fixed assets (see notes 14 and 15)
Tangible fixed assets, other than investment properties are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as the Group's experience over a number of years of actual component lives and the Group's ability to protect the life of a property by continuing investment are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

- Investment properties (see note 16)

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations for the commercial units were

- Annual rent per square metre: £65-£161 with a weighted average of £98
- Capitalisation rate: 9% - 10% with a weighted average of 9.5%

- Rental and other trade receivables (debtors) (see note 20)

The estimate for receivables relates to the recoverability of the balance outstanding at year end. A review is performed on the debt to consider whether it is recoverable.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

4 Particulars of turnover, cost of sales, operating costs and operating surplus - group

	Turnover 2019 £'000	Cost of sales 2019 £'000	Operating costs 2019 £'000	Gain on disposals 2019 £'000	Operating surplus /(deficit) 2019 £'000
Social housing lettings (note 5)	34,297	0	23,517	0	10,780
Other social housing activities					
First tranche low cost home ownership sales	6,468	3,696	76	0	2,696
Gain on disposal of fixed assets	0	0	0	1,563	1,563
Charges for support services	64	0	62	0	2
Development costs not capitalised	0	0	549	0	(549)
	6,532	3,696	687	1,563	3,712
Activities other than social housing activities					
Lettings	63	0	17	0	46
Other	723	0	688	0	35
	786	0	705	0	81
	41,615	3,696	24,909	1,563	14,573
				Gain / (Loss) on disposal of subsidiary	Operating surplus /(deficit)
	Turnover	Cost of sales	Operating costs	2018	2018
	2018	2018	2018	2018	2018
	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 5)	33,098	0	22,237	0	10,861
Other social housing activities					
First tranche low cost home ownership sales	4,345	2,899	0	0	1,446
Gain on disposal of fixed assets	0	0	0	807	807
Charges for support services	72	0	59	0	13
Development costs not capitalised	0	0	493	0	(493)
	4,417	2,899	552	807	1,773
Activities other than social housing activities					
Lettings	72	0	14	0	58
Other	1,011	0	590	(131)	290
	1,083	0	604	(131)	348
	38,598	2,899	23,393	938	12,982

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

4 Particulars of turnover, cost of sales, operating costs and operating surplus - company

	Turnover 2019 £'000	Cost of sales 2019 £'000	Operating costs 2019 £'000	Gain on disposals 2019 £'000	Operating surplus /(deficit) 2019 £'000
Social housing lettings (note 5)	34,297	0	23,830	0	10,467
Other social housing activities					
First tranche low cost home ownership sales	6,468	3,696	76	0	2,696
Gain on disposal of fixed assets	0	0	0	1,563	1,563
Charges for support services	64	0	62	0	2
Development costs not capitalised	0	0	549	0	(549)
	6,532	3,696	687	1,563	3,712
Activities other than social housing activities					
Lettings	63	0	17	0	46
Other	1,527	0	1,192	0	335
	1,590	0	1,209	0	381
	42,419	3,696	25,726	1,563	14,560

	Turnover 2018 £'000	Cost of sales 2018 £'000	Operating costs 2018 £'000	Gain on disposals 2018 £'000	Operating surplus /(deficit) 2018 £'000
Social housing lettings (note 5)	33,098	0	22,237	0	10,861
Other social housing activities					
First tranche low cost home ownership sales	4,345	2,899	0	0	1,446
Gain on disposal of fixed assets	0	0	0	807	807
Charges for support services	72	0	59	0	13
Development costs not capitalised	0	0	493	0	(493)
	4,417	2,899	552	807	1,773
Activities other than social housing activities					
Lettings	72	0	14	0	58
Other	992	0	988	0	4
	1,064	0	1,002	0	62
	38,579	2,899	23,791	807	12,696

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

5 Income and expenditure from social housing lettings – group

Group	General needs	Supported & older people's housing	Low cost home ownership	Care Homes	Garages	Total 2019	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income							
Rents net of identifiable service charges	24,260	7,319	406	220	536	32,741	31,810
Service charge income	400	636	15	0	0	1,051	941
Amortised government grants	505	0	0	0	0	505	347
Other grants	0	0	0	0	0	0	0
Turnover from social housing lettings	25,165	7,955	421	220	536	34,297	33,098
Expenditure							
Management	3,309	1,167	82	108	69	4,735	4,390
Service charge costs	1,290	710	0	4	10	2,014	2,008
Routine maintenance	2,868	943	0	173	28	4,012	4,400
Planned maintenance	2,282	758	0	5	12	3,057	2,786
Major repairs expenditure	2,297	693	0	4	91	3,085	2,589
Bad debts	51	15	0	0	0	66	93
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	4,959	1,479	0	0	0	6,438	5,873
-accelerated on disposal of components	85	25	0	0	0	110	98
Operating expenditure on social housing lettings	17,141	5,790	82	294	210	23,517	22,237
Operating surplus / (deficit) on social housing lettings	8,024	2,165	339	(74)	326	10,780	10,861
Void Losses	102	128	0	0	84	314	356

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

5 Income and expenditure from social housing lettings – company

Company	General needs £'000	Supported & older people's housing £'000	Low cost home ownership £'000	Care Homes £'000	Garages £'000	Total 2019 £'000	Total 2018 £'000
Income							
Rents net of identifiable service charges	24,260	7,319	406	220	536	32,741	31,810
Service charge income	400	636	15	0	0	1,051	941
Amortised government grants	505	0	0	0	0	505	347
Other grants	0	0	0	0	0	0	0
Turnover from social housing lettings	25,165	7,955	421	220	536	34,297	33,098
Expenditure							
Management	3,309	1,167	82	108	69	4,735	4,390
Service charge costs	1,290	710	0	4	10	2,014	2,008
Routine maintenance	3,108	1,016	0	173	28	4,325	4,400
Planned maintenance	2,282	758	0	5	12	3,057	2,786
Major repairs expenditure	2,297	693	0	4	91	3,085	2,589
Bad debts	51	15	0	0	0	66	93
Depreciation of housing properties:	0	0	0	0	0	0	0
-annual charge	4,959	1,479	0	0	0	6,438	5,873
-accelerated on disposal of components	85	25	0	0	0	110	98
Operating expenditure on social housing lettings	17,381	5,863	82	294	210	23,830	22,237
Operating surplus / (deficit) on social housing lettings	7,784	2,092	339	(74)	326	10,467	10,861
Void Losses	102	128	0	0	84	314	356

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

6 Units of housing stock

At the end of the year accommodation in management was as follows:

	Group & Company 2019 Number	Group & Company 2018 Number
General needs housing:		
- social	4,129	4,096
- affordable	612	540
Low cost home ownership	183	115
Supported housing	74	70
Housing for older people	570	569
Sheltered units for older people / supported living	844	860
	<hr/>	<hr/>
Total social housing units	6,412	6,250
Residential care home bed spaces	48	52
	<hr/>	<hr/>
Total owned and managed	6,460	6,302
	<hr/>	<hr/>
Leaseholders of sold flats	90	88
Leaseholders units for supported living	4	4
Market rent	6	6
	<hr/>	<hr/>
Total owned and managed accommodation	6,560	6,400
	<hr/>	<hr/>
Units under construction	337	269
	<hr/>	<hr/>

During the year Selwood gained 58 general needs, 71 affordable and 68 shared ownership properties. 2 properties converted to leasehold, 1 became a shared owner and 15 general needs properties were sold on a RTB, RTA or open market basis, with a further 16 former supported living properties being sold on the open market. 2 shared properties were converted back into individual dwellings and 7 properties were re-categorised.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

6 Units of housing stock (continued)

Selwood Housing owns 74 supported housing units (2018: 70) and floating support was provided for 11 of these units by Selwood Housing in 2019. The rest are managed by bodies that contract with adult social care and carry the financial risk relating to these supported housing units. Other organisations manage 52 care home units on our behalf.

Selwood Housing also owns 1,160 garages, 9 shops (8 let on commercial terms and 1 used by Selwood Housing as a resource centre) and one doctors' surgery.

7 Operating surplus

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
--	------------------------	------------------------	--------------------------	--------------------------

This is arrived at after charging / (crediting):

Depreciation of housing properties:

-annual charge	6,438	5,873	6,438	5,873
-accelerated depreciation on replaced components	94	98	94	98
Depreciation of other tangible fixed assets	384	287	356	258
Auditor's remuneration (excluding VAT):				
-fees payable to the group's auditor for the audit of the group's annual accounts	22	26	17	17
- fees for other non-audit services	1	1	1	1

8 Employees

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Staff costs (including Executive Team) consist of:				
Wages and salaries	7,767	7,481	4,850	4,511
Social security costs	754	748	478	458
Cost of defined benefit scheme (see note 27)	567	603	567	603
Cost of defined contribution scheme	306	228	226	178
	<u>9,394</u>	<u>9,060</u>	<u>6,121</u>	<u>5,750</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

8 Employees (continued)

The average number of employees (including the executive team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours during the year) was as follows:

	Group 2019	Group 2018	Company 2019	Company 2018
Administration	46	56	46	45
Development	9	8	9	8
Provision of learning opportunities and individual support	0	5	0	0
Housing, Support and care	242	222	110	110
	<u>297</u>	<u>291</u>	<u>165</u>	<u>163</u>

9 Directors' and senior executive remuneration

The directors are defined as the members of the board of directors, the group chief executive and the executive team disclosed on page 1.

Group and company

	2019 £'000	2018 £'000
Executive directors' emoluments	553	575
Amounts paid to non-executive directors	45	48
Contributions to money purchase pension schemes	8	8
Contributions to defined benefits pension scheme	119	125
	<u>725</u>	<u>756</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

9 Directors' and senior executive remuneration (continued)

The emoluments paid to the executive team were:

	Job Title	Basic Pay	Pension Contribution	Total 2019	Total 2018
Barry Hughes	Group Chief Executive	130	33	163	158
Diane Hall *	Group Finance Director	103	26	129	89
Paul Walsh	Group Development Director	85	22	107	103
Chris George	Group Assets Director	89	8	97	94
Verena Buchanan	Group Housing Director	80	21	101	98
Ria Bristow	Group People Director	66	17	83	80
Rebecca O'Neil *	Group Enterprise Director	0	0	0	108
Sue Eley *	Interim Group Finance Director	0	0	0	28
		553	127	680	758

* Sue Eley up to July 2017, Diane Hall from July 2017, Rebecca O'Neil left in January 2018

The remuneration paid to staff (including the executive team) earning over £60,000 upwards (excluding employer pension contributions):

	2019 No.	2018 No.
£60,000 - £69,999	4	3
£70,000 - £79,999	0	3
£80,000 - £89,999	3	1
£90,000 - £99,999	0	0
£100,000 - £109,999	1	0
£110,000 - £119,999	0	0
£120,000 - £129,999	1	1
	9	8

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

9 Directors' and senior executive remuneration *(continued)*

The total amount payable to the group chief executive, who was also the highest paid director in respect to emoluments, was £130k (2018 - £128k). Pension contributions of £33k (2018- £32k) were made. As a member of the Wiltshire local government pension scheme, the pension entitlement of the chief executive is identical to those of other members and no special terms apply.

Benefits have accrued to 4 further executive officers under the Wiltshire pension fund defined benefit scheme (2018 - 6) and 1 director accrued benefits under the group's defined contribution pension scheme during the year (2018 - 1).

The group chief executive's salary is 5.24 times the median salary of all members of staff (2018: 5.24 times).

A cyclescheme loan was repaid during the year (2018: £2k) by Diane Hall, a benefit that is available to all employees.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

10 Board members

The Chair of the board receives a salary of £10,380 (2018: £10,380) per annum, the committee chairs each receive £710 per annum (2018: £710), in addition to their basic board member payment. The standard other group board member payment is £4,050 (2018: £4,050).

Emoluments paid to board members in 2019 were 0.1% (2018: 0.1%) of Selwood Housing's annual turnover.

Board member	Remuneration & Expenses £	Current Member of Group Asset & Development Committee	Current Member of Group Audit and Risk committee	Group Board
Brian Cosstick to 2 October 2018	5,122			X
Margaret Haylock to 31 August 2018	1,764			X
Claudia Bailey	3,790			X
Ian Harries to 21 June 2018	932			X
Sheila Lewis from 29 May 2018	6,670	X		X
Martin Large from 25 June 2018 *	3,241	X	X	X
Valerie Witcomb from 9 November 2018	1,595		X	X
John Noeken to 14 May 2018	440			X
Richard Britton *	5,280		X	X
Bridget Wayman	4,158	X		X
Martin Pain	4,050	X		X
Lee O'Bryan *	4,760		X	X
Adam Sampson 29 May to 3 Oct 2018	1,438			X
Chris Butters from 16 November 2018	1,757		X	X
Total	44,997			

* Chair of committee during 18/19

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

11 Surplus on disposal of fixed assets

Group and company	Right to Buy and Right to Acquire 2019 £'000	Other housing properties 2019 £'000	Other fixed assets 2019 £'000	Total 2019 £'000	Total 2018 £'000
Disposal proceeds	2,070	1,419	0	3,489	2,188
Costs of disposals	(928)	(732)	(2)	(1,662)	(1,032)
Selling costs	(10)	(27)	0	(37)	(26)
Grant recycled	(227)	0	0	(227)	(323)
	905	660	(2)	1,563	807

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

12 Interest payable and similar charges

Group and company	2019 £'000	2018 £'000
Bank loans and overdrafts	1,761	1,804
All other loans (excluding loans from group entities)	1,344	1,191
Interest capitalised on construction of housing properties	(245)	(162)
	<u>2,860</u>	<u>2,833</u>
Rate used for capitalisation	2.0%	0.8%

13 Taxation on profit from ordinary activities

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Current tax				
UK corporation tax on profits of the period	9	(25)	0	0
Deferred tax	0	4	0	0
Origination and reversal of timing differences	0	0	0	0
Taxation on profit on ordinary activities	<u>9</u>	<u>(21)</u>	<u>0</u>	<u>0</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

13 Taxation on profit from ordinary activities *(continued)*

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Profit / loss on ordinary activities before tax	11,783	10,088	11,759	9,799
Tax on profit / (loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	2,239	1,917	2,234	2,055
Effects of:				
Charitable income	(2,170)	(1,810)	(2,234)	(2,055)
Gift Aid Payment to parent	(69)	(102)	0	0
Adjustment in respect of prior periods	9	(26)	0	0
Current tax charge for period	9	(21)	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

14 Tangible fixed assets – housing properties

All housing properties were freehold at 31 March 2019 (2018: all freehold).

Group and company	General needs completed	General needs under Construction	Shared ownership completed	Shared ownership under construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
1st April 2018	389,546	10,819	8,577	2,220	411,162
Construction Costs	0	17,292	0	5,372	22,664
Replaced components - Additions	4,466	0	0	0	4,466
Completed Schemes	19,210	(19,531)	5,720	(5,399)	0
Disposals - RTB, RTA & market sales	(1,720)	0	0	0	(1,720)
Disposals - replaced components	(390)				(390)
Disposals - staircasing	0	0	(44)	0	(44)
Transfers	(345)		345		0
At 31 March 2019	<u>410,767</u>	<u>8,580</u>	<u>14,598</u>	<u>2,193</u>	<u>436,138</u>
<i>Depreciation</i>					
1st April 2018	(27,028)	0	(113)	0	(27,141)
Charge for the year	(6,336)	0	(102)	0	(6,438)
Eliminated on disposals	104	0	0	0	104
Replaced components - Disposals	296	0	0	0	296
At 31 March 2019	<u>(32,964)</u>	<u>0</u>	<u>(215)</u>	<u>0</u>	<u>(33,179)</u>
Net Book Value at 31 March 2019	<u>377,803</u>	<u>8,580</u>	<u>14,383</u>	<u>2,193</u>	<u>402,959</u>
Net Book Value at 31 March 2018	<u>362,518</u>	<u>10,819</u>	<u>8,464</u>	<u>2,220</u>	<u>384,021</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

14 Tangible fixed assets – housing properties *(continued)*

Group and company	2019 £'000	2018 £'000
Interest capitalised in the year	(245)	(162)
Rate used for capitalisation	2.0%	0.8%

Group and company	2019 £'000	2018 £'000
Total social housing grant received or receivable to date		
Capital grant - Housing properties	32,389	31,082
Recycled Capital Grant Fund	516	398
Disposals Proceeds Fund	213	391
Revenue grant - I&E	505	347
Revenue grant - reserves	3,141	2,794
	<u>36,764</u>	<u>35,012</u>

Properties held for security

Selwood Housing Society Ltd had property with a net book value of £194 million pledged as security at 31 March 2019 (£187 million – 2018).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

15 Other tangible fixed assets – group

	Freehold Office £'000	Motor Vehicles £'000	Plant & Equip £'000	IT £'000	Fixtures & Fittings £'000	Total £'000
Cost						
At 1 April 2018	2,619	103	551	1,506	0	4,779
Additions	383	0	0	565	63	1,011
Disposals	0	0	0	(7)	0	(7)
At 31 March 2019	3,002	103	551	2,064	63	5,783
Accumulated Depreciation						
At 1 April 2018	(560)	(101)	(83)	(611)	0	(1,355)
Charged in year	(49)	(2)	(28)	(302)	(3)	(384)
Disposals	0	0	0	6	0	6
At 31 March 2019	(609)	(103)	(111)	(907)	(3)	(1,733)
Net book value at 31 March 2019	2,393	0	440	1,157	60	4,050
Net book value at 31 March 2018	2,059	2	468	895	0	3,424

Freehold office includes freehold land at cost of £360,000 (2018: £240,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

15 Other tangible fixed assets – company

	Freehold Office £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	IT £'000	Total £'000
Cost					
At 1 April 2018	2,619	0	103	1,594	4,316
Additions	383	63	0	566	1,012
Disposals	0	0	0	(8)	(8)
At 31 March 2019	3,002	63	103	2,152	5,320
Accumulated Depreciation					
At 1 April 2018	(560)	0	(101)	(699)	(1,360)
Charged in year	(49)	(3)	(2)	(302)	(356)
Disposals	0	0	0	6	6
At 31 March 2019	(609)	(3)	(103)	(995)	(1,710)
Net book value at 31 March 2019	2,393	60	0	1,157	3,610
Net book value at 31 March 2018	2,059	0	2	895	2,956

Freehold office includes freehold land at cost of £360,000 (2018: £240,000) which is not depreciated.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

16 Investment properties

Group and Company	Market rent £'000	Commercial £'000	Total £'000
At 1 April 2018	608	565	1,173
Revaluations	12	0	12
At March 2019	620	565	1,185

The group's investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

In valuing investment properties, a discounted cash flow methodology was adopted with the following key assumptions:

Discount rate	6.0%-6.5% (in real terms)
Annual inflation rate	2% (assumed CPI)
Level of long term annual rent increase	1% (real growth)

The surplus on revaluation of investment property arising £12k (2018 – surplus of £23k) has been credited to the statement of comprehensive income for the year (company and group).

17 Fixed asset investments

<i>Cost or valuation</i>	Group £'000	Company £'000
At 1 April 2018	0	1,350
Additions - MORHomes Plc	25	25
At 31 March 2019	25	1,375

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

18 Details of subsidiary undertakings

The principal undertakings in which the company has an interest are as follows:

Name	Country of incorporation or registration	Proportion of voting rights / ordinary share capital held	Nature of business	Nature of entity	Number of shares
Silcoa Ltd	England	100%	Repair and Maintenance of social housing	Private company limited by shares	100,000 ordinary £1 shares
Cottsbury Homes Ltd	England	100%	Sale of properties at market cost	Private company limited by shares	500,000 ordinary £1 shares
Selwood DevCo Ltd	England	100%	Generation and supply of electricity	Private company limited by shares	750,000 ordinary £1 shares

All subsidiary undertakings have the same registered office as the company, shown on page 1.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

19 Properties for sale & other stock

Group	First tranche	Other	Total	Total
	shared	Stock	2019	2018
	ownership			
	properties	2019	2019	2018
	2019	2019	2019	2018
	£'000	£'000	£'000	£'000
Completed properties	1,764	0	1,764	1,236
Other	0	121	121	35
Properties under construction	1,462	0	1,462	1,480
	3,226	121	3,347	2,751

Company	First tranche	Other	Total	Total
	shared	Stock	2019	2018
	ownership			
	properties	2019	2019	2018
	2019	2019	2019	2018
	£'000	£'000	£'000	£'000
Completed properties	1,764	0	1,764	1,236
Properties under construction	1,462	0	1,462	1,480
	3,226	0	3,226	2,716

Properties developed for sale include capitalised interest of £62k (2018 - £23k).

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

20 Debtors

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Due within one year				
Arrears of rent and service charges	638	607	638	607
Less: Provision for doubtful debts	(353)	(355)	(353)	(355)
	285	252	285	252
Amounts owed by group undertakings	0	0	1	1
Other debtors	1,940	1,845	1,935	1,841
Prepayments and accrued income	1,086	558	957	416
	<u>3,311</u>	<u>2,655</u>	<u>3,178</u>	<u>2,510</u>

The other debtors figure includes £465k (2018: £483k) in respect of 14 days' (2018:13 days) housing benefit due from Wiltshire Council.

20a Cash and cash equivalents

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cash	28,409	21,806	27,934	20,338
Deposit accounts	1,693	7,808	585	7,808
	<u>30,102</u>	<u>29,614</u>	<u>28,519</u>	<u>28,146</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

21 Creditors: Amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade creditors	775	481	518	218
Rent and service charges received in advance	549	450	549	450
Amounts owed to group undertakings	0	0	318	251
Taxation and social security	225	218	148	146
Other creditors	783	521	769	515
Accruals and deferred income	5,339	5,544	4,886	5,297
	<u>7,671</u>	<u>7,214</u>	<u>7,188</u>	<u>6,877</u>

Pension commitments

A defined contribution pension scheme is operated by the group on behalf of some employees. The assets of the scheme are held separately from those of the group and the company in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £305,706 (2018 – £228,326), which included £225,706 (2018 – £178,326) payable by the company. Contributions amounting to £31,525 (2018 - £31,293) were payable to the fund by the group at the balance sheet date and included £26,241 (2018 - £24,545) payable by the company and are included in other creditors in the balance sheet.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

22 Creditors: Amounts falling due after more than one year

Group and company

	2019 £'000	2018 £'000
Loans and borrowings (note 26)	152,820	144,736
Deferred capital grant (note 23)	32,389	31,082
Disposal proceeds fund (note 24)	213	391
Recycled capital grant (note 25)	516	398
Sinking fund balances	207	497
	<u>186,145</u>	<u>177,104</u>

23 Deferred capital grant

Group and company

	2019 £'000	2018 £'000
At 1 April	31,082	30,883
Grants received in the year	0	836
HCA grant paid direct to developer	1,780	0
Grants recycled from the recycled capital grant fund	32	(290)
Released to income in the year	(505)	(347)
At 31 March	<u>32,389</u>	<u>31,082</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

24 Disposal proceeds fund

Group and company	2019	2018
	£000	£000
At 1 April	391	510
Use / allocation of funds:		
- new build	(157)	0
- major repairs and works to existing stock	(21)	(119)
At 31 March	213	391
Amounts 3 years or older where repayment may be required	0	0

Section 24 of the Housing Act 2004 used to require Registered Social Landlords to credit the net proceeds of right to acquire and voluntary purchase grant sales to a disposals proceed fund, however, this is no longer applicable.

25 Recycled capital grant

Group and company	2019	2018
	£000	£000
At 1 April	398	109
Inputs to fund:		
- grants recycled from deferred capital grants	227	289
Use / allocation of funds:		
- new build	(109)	0
At 31 March	516	398
Amounts 3 years or older where repayment may be required	0	0

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

26 Loans and borrowings

Loans are secured by specific charges on the housing properties of the group and are secured on the assets of Selwood Housing, including fixed charges on individual properties.

	Bank Loans 2019 £'000	Total 2019 £'000	Total 2018 £'000
In one year or less, or on demand	4,292	4,292	0
In more than one year but not more than two years	5,303	5,303	0
In more than two years but not more than five years	19,078	19,078	3,640
In more than five years	124,147	124,147	141,096
Total debt	152,820	152,820	144,736

The loans bear interest at fixed rates ranging from 0.83% to 4.78% or at variable rates calculated at a margin above the London Inter Bank Offer Rate. The current loan outstanding is made up of £100m fixed and £50.4m variable, against an agreed facility of £160.4m. At 31 March 2019 the group had undrawn loan facilities of £10m (2018 - £22m).

27 Pensions obligations

Group and Company

The Wiltshire Council Pension Fund ("WCPF") is a multi-employer scheme with more than one participating employer, which is administered by Wiltshire Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The assets of the WCPF are held separately from those of Selwood Housing in independently administered funds. The most recent formal actuarial valuation was completed as at 31 March 2016 and rolled forward to 31 March 2019 by a qualified independent actuary. The actuaries have used the projected unit credit method of valuation in accordance with FRS 17.

The employers' contributions to the WCPF by Selwood Housing for the year ended 31 March 2019 were £658,000 (2018: £617,000) at a contribution rate of 25.7% of pensionable salaries including an annual contribution of £313,000 to fund the deficit, set until the next funding valuation.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

27 Pensions obligations *(continued)*

Financial assumptions

The main financial assumptions used by the actuary were:

	31 March 2019	31 March 2018
	% per annum	% per annum
Discount rate	2.4	2.7
Future salary increases	2.8	2.7
Future pension increases	2.5	2.4

Mortality assumptions

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% per annum, improvements will decline for the over 90's. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2019	2018
	No. of years	No. of years
Current pensioners:		
Males	22.5	22.5
Females	24.9	24.9
Future pensioners:		
Males	24.1	24.1
Females	26.7	26.7

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

27 Pensions obligations *(continued)*

Amounts recognised in the balance sheet

	2019 £'000	2018 £'000
Present value of funded obligations relating to Selwood Housing	(30,074)	(27,042)
Fair value of plan assets relating to Selwood Housing	22,876	21,049
Net Deficit	<u>(7,198)</u>	<u>(5,993)</u>

Analysis of the amount (credited)/charged to the income and expenditure account:

	2019 £'000	2018 £'000
Current service cost	567	603
Expected return on pension scheme assets	(569)	(502)
Interest on pension scheme liabilities	729	695
Total operating charge	<u>727</u>	<u>796</u>

Of the above amount, £160,000 (2018: £193,000) was charged to other finance charges. £567,000 (2018: £603,000) was charged to operating surplus.

Changes in fair value of employer assets

	2019 £'000	2018 £'000
Opening fair value of employer assets	21,049	19,186
Contributions by the Employer	658	617
Actuarial gains	1,183	1,099
Benefits paid	(697)	(471)
Contributions by members	114	116
Interest	569	502
Closing fair value of employer assets	<u>22,876</u>	<u>21,049</u>

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

27 Pensions obligations *(continued)*

Changes in present value of defined benefit obligation

	2019 £'000	2018 £'000
Opening defined benefit obligation	27,042	26,639
Current service cost	567	603
Interest cost	729	695
Actuarial losses /(gains)	2,319	(540)
Estimated benefits paid	(697)	(471)
Contributions by members	114	116
Closing defined benefit obligation	30,074	27,042

Major categories of plan assets as a percentage of total plan assets:

	2019	2018
Equities	71%	70%
Bonds	14%	15%
Property	13%	13%
Cash	2%	2%

Fair value of employer assets

	2019 £'000	2018 £'000
Equities	16,242	14,734
Bonds	3,203	3,157
Property	2,974	2,737
Cash	457	421
	22,876	21,049

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

27 Pensions obligations (*continued*)

Amounts for the current and previous four years are as follows:

	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligation	(30,074)	(27,042)	(26,639)	(21,714)	(23,327)
Fair value of scheme assets	22,876	21,049	19,186	16,117	16,311
Deficit on scheme	(7,198)	(5,993)	(7,453)	(5,597)	(7,016)
Experience adjustments on plan liabilities	0	0	(409)	322	192
Experience adjustments on plan assets	1,183	1,099	2,317	(1,063)	1,402
Cumulative actuarial losses	(5,184)	(4,048)	(5,687)	(3,814)	(5,382)

Projected pension expense for the year to 31 March 2020

Projected Current Service Cost	641
Interest on Obligation	722
Expected Return on Plan Assets	(551)
Total	812

The estimated employer contributions for the year to 31 March 2020 are approximately £708,000.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

28 Operating leases

At 31 March 2019, the group and company had future minimum lease payments under non-cancellable operating leases as set out below:

Amounts payable as Lessee	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Not later than 1 year	205	314	35	144
later than 1 year and no later than 5 years	362	535	0	25
Later than 5 years	0	22	0	0
Total	567	871	35	169

Amounts receivable as Lessor	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Not later than 1 year	29	29	29	29
later than 1 year and no later than 5 years	36	49	36	49
Later than 5 years	9	13	9	13
Total	74	91	74	91

29 Capital commitments

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Commitments contracted but not provided for in the accounts	5,514	6,648	5,514	6,648
Commitments approved by the Board but not contracted for	64,536	107,163	64,536	107,163
	70,050	113,811	70,050	113,811

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

29 Capital commitments (continued)

The above commitments will be financed primarily through borrowings, new funding, social housing grant, property sales and internal cash balances.

30 Related party transactions

The directors Martin Pain, Claudia Bailey and Valerie Witcomb are tenants of Selwood Housing. Their tenancy agreements are under normal commercial terms and they are not able to use their position to their advantage.

The directors Bridget Wayman and Richard Britton, are also councillors of Wiltshire Council. Any transactions made with Wiltshire Council are made at arm's length, on normal commercial terms and the councillors cannot use their position on the board to their advantage.

Except for the disclosures below, Selwood Housing Group has taken advantage of the exemption allowed under FRS 102 not to disclose related party transactions within the group. All intra-group transactions are with subsidiaries that are wholly owned. These have been eliminated on consolidation in the group's financial statements

Transactions with non-regulated entities

The association provides management services and other services to some of its subsidiaries. The association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below.

Transactions with non-regulated entities Payable to Selwood Housing by Subsidiaries:	Management Charges		Other Charges		Gift Aid	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Silcoa Ltd	561	542	0	0	307	0
Selwood DevCo Ltd	0	0	0	0	31	1
Cottsbury Homes Ltd	0	0	0	0	0	0
The Learning Curve	0	33	0	0	0	0
	561	575	0	0	338	1

In 2018 gift aid of £160k from Silcoa and £75k from Cottsbury was paid to The Learning Curve.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

30 Related party transactions (continued)

Payable by Selwood Housing to Subsidiaries:	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Silcoa Ltd	0	42	7,922	6,841
Selwood DevCo Ltd	0	0	25	38
	0	42	7,947	6,879

Intra-group management charges

Intra-group management charges are receivable by the association from subsidiaries to cover the running costs the association incurs on behalf of managing its subsidiaries. The management charge is calculated on a department basis, with varying methods of allocation. The costs are apportioned as follows:

Department	By reference to
Finance	Headcount
Human Resources	Headcount
Facilities	Floor Space
Executive	Staff time
Health and Safety	Headcount

Other intra-group charges

No other intra-group charges are payable to the association from subsidiaries. Charges from subsidiaries to the association are for goods and services provided, such as repairs and maintenance.

Selwood Housing Society Limited

Notes to the financial statements For the year ended 31 March 2019

31 Contingent liabilities

The group receives grant from Homes England and local authorities which is used to fund the acquisition and development of housing properties and their components. The group has a future obligation to recycle such grant once the properties are disposed of. At the year end the amount of such grant not recognised within creditors was £2.8m (2018: £2.9m).

As the timing of any future disposal is uncertain, no provision has been recognised in these financial statements.

32 Provision for liabilities

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
At 31 March 2018	8	4	0	0
Origination and reversal of timing differences	1	4	0	0
At 31 March 2019	9	8	0	0

33 Net debt reconciliation

	01 April 2019 £'000	Cash flows £'000	Non -cash changes £'000	31 March 2019 £'000
Group				
Cash and cash equivalents	29,614	488	0	30,102
Loans and borrowings	(144,736)	(8,084)	0	(152,820)
	(115,122)	(7,596)	0	(122,718)
Company				
Cash and cash equivalents	28,146	373	0	28,519
Loans and borrowings	(144,736)	(8,084)	0	(152,820)
	(116,590)	(7,711)	0	(124,301)