

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 MARCH 2015



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# Board Members And Professional Advisors

## for the year ended 31 March 2015

### **BOARD**

#### **Tenant Board Members**

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Christopher England (Chair)  
(reappointed July 2014)

Cecelia Beal  
(reappointed July 2014)

Suzanne Porretta  
(appointed July 2014)

William Edwin Groves  
(appointed July 2014)

Jayne Anne Rose  
(appointed July 2014)

Peter Gillon  
(appointed July 2014)

#### **Council Board Members**

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Sheila Davies

Jane Mudd

Val Delahaye  
(stood down January 2015)

Omar Ali

Sally Mlewa  
(appointed Feb 2015)

#### **Independent Board Members**

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John Harray  
(reappointed July 2014)

David Taylor

Iain Logue

Nicola Somerville

Paula Kennedy

#### **Secretary and Registered Office**

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Lynda Clark  
Nexus House  
Mission Court  
Newport  
NP20 2DW

#### **Executive Officers**

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Ceri Doyle  
Chief Executive (appointed Sept 2014)

Peter Cahill  
Chief Executive (retired July 2014)

Lynda Clark  
Director of Finance & IS

Nick Hampshire  
Director of Asset Management &  
Investment

Robert Lynbeck  
Director of Housing and Regeneration

Adela Rogers  
Director of Corporate Services

### **Bankers**

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Barclays Bank plc  
Windsor Court  
3 Windsor Place  
Cardiff  
CF10 3ZL

### **Lenders**

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Royal Bank of Scotland  
Nationwide Building Society  
Barclays Bank plc

### **Principal Solicitors**

---

Hugh James  
Hodge House  
114 - 116 St Mary Street  
Cardiff  
CF10 1DY

Blake Morgan  
Bradley Court  
11 Park Place  
CF10 3DR

### **External Auditors**

---

Haines Watts Wales LLP  
Statutory Auditors  
7 Neptune Court  
Vanguard Way  
Cardiff  
CF24 5PJ

### **Internal Auditors**

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Mazars LLP, Bristol  
Clifton Down House  
Beaufort Buildings  
Clifton  
Bristol  
BS8 4AN

Newport City Homes Housing Association Limited is regulated by the Financial Conduct Authority as a Community Benefit Society with charitable rules, registration number 30192R, and with the Welsh Government registration number L149.

# Operating and Financial Review

## for the year ended 31 March 2015

**The Board is pleased to present its Operating and Financial Review, Board Report and the audited Financial Statements for Newport City Homes Housing Association Ltd (the Association) for the year ended 31 March 2015.**

### **NATURE, OBJECTIVES AND STRATEGIES**

#### **Legal Status**

The Association is a Community Benefit Society with charitable rules. It is registered with the Welsh Government (WG) as a Registered Social Housing Provider (RSHP).

#### **Principal Activities and Geographical Coverage**

This review covers the year to 31 March 2015 and outlines plans and goals for the coming years.

The Association is a not-for-profit organisation administered by a voluntary Board of Management. It provides management, maintenance and improvement services to 8,987 rented homes located within the administrative boundary of Newport City Council.

The Association also provides management services to 638 leasehold flats, has a portfolio of 99 premises let on commercial terms, manages 673 garages and holds between 25% and 75% equity in 158 shared ownership properties on which it receives rental income.

#### **Statement of Vision**

The Association has completed its sixth year of operation since transfer. The Association has delivered the key Offer Document promises to residents and is on course to achieve compliance with the Welsh Housing Quality Standard (WHQS) by the end of 2015.

The Association is poised upon a new stage in its development and the Board is in the process of creating a new strategy that will set the vision of the Association for the next five years. The strategy will be supported by a robust performance management framework that will ensure delivery of the strategic aims.

# OUR PURP

# Operating and Financial Review

## for the year ended 31 March 2015

### OPERATIONAL REVIEW

#### Asset Management

During the year, the Association agreed a contract to build a £4m Biomass boiler in partnership with British Gas. British Gas will fund around 90% of the project through their national commitment to reduce CO2 omissions. The Biomass boiler will deliver heat to over 900 properties in the Duffryn area of Newport and will be operational in 2016.

In addition, the energy team successfully applied for a range of energy grants related to external wall insulation systems being installed across the city.

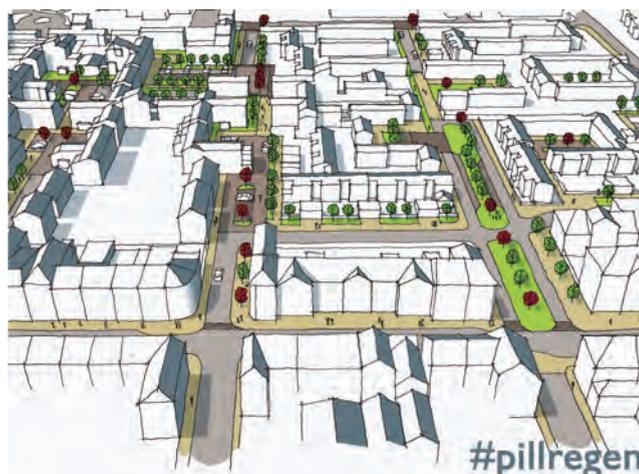
Our gas servicing team continue to keep gas certification compliancy in excess of 99% and additionally has delivered excellent customer satisfaction returns throughout the year.

Our Asset management team have continued to focus on identifying the investment needed to meet the WHQS target by 2015. Large amounts of inspections to external and communal areas have been undertaken to allow upgrade works to commence.

This year has seen £25 million invested into our homes with a view of achieving WHQS by the end of 2015.

Significant investment was made in the year to the external elevation of our properties and the landscaping areas across our estates. Work has also commenced on the internal communal areas of our flat blocks which will see a vast improvement in the quality of these areas.

Our Pill regeneration scheme was submitted for planning approval at the end of the financial year. This scheme signals the change of investment approach from a WHQS focus to regeneration and new build.



# OSE

“ To provide homes in communities where people want to live ”

# Operating and Financial Review

for the year ended 31 March 2015



We completed 112 major and 682 minor adaptations. We also externally decorated around 450 homes.

## Property Services

The team saw big change in the year; our new structure will allow us to be more proactive in achieving right first time results and offering greater operational efficiencies.

The year concluded with the tendering of a new contractor framework. The framework will provide us greater flexibility in the use of contractors and a

range of community benefit and apprenticeship opportunities.

Repairs satisfaction has consistently been above 90% with our right first time indicator averaging 80%. A new voids standard developed in conjunction with our resident groups was introduced in the year and we also introduced new processes to improve the effectiveness and efficiency of our internal works team. Our estates team have been focusing on preparing new estate plans to coincide with the contractor framework going live during 2015.

# Operating and Financial Review

## for the year ended 31 March 2015

### Housing and Regeneration

The Association has continued to develop and refine the ways in which it operates and provides services both through strong resident engagement and operational experience.

The Board recently approved a new Resident Engagement Framework which clearly defines the purpose of resident engagement. Our approach to resident engagement has been developed with residents, partner organisations, staff and Board to ensure that it underpins and contributes to the development and delivery of the corporate plan.

In order to ensure that we truly know what our residents think and to ensure we use this information to inform how we deliver our strategy and continually improve services we will:

1. Have an understanding of what our residents want
2. Have an innovative and flexible approach
3. Demonstrate the difference engagement makes
4. Be an active partner in our communities.

The Resident Challenge panel continues to review core services and have undertaken a review of grounds maintenance. Their findings informed contract specification and monitoring arrangements for future service delivery.

The Board Academy continues to provide additional support and training for engaged residents and to encourage them to become Board Members. This resulted

in a significant increase in nominations to resident Board Member vacancies in July 2014.

### Welfare Reform

The year has been dominated with the introduction of welfare reform legislation. The 'bedroom tax', universal credit and the benefit cap will impact residents on a phased basis for the foreseeable future. The Association has an established welfare reform working group, made up of residents and staff who have a positive action plan to address the challenges for households and the Association.

### Employability

Our apprenticeship programme launched in 2009 and to date we have trained 91 apprentices, of which 81% moved directly into employment, whilst others pursued different routes such as returning to education.

The NCH Academy continues to provide paid work placement opportunities for NCH residents and other unemployed people in Newport. Since its start in September 2012, 25 trainees have completed the programme with 88% progressing into work or further education. The past year has been particularly successful with five trainees gaining permanent employment within the Association and several completing qualifications to enhance their employability. We have recently recruited our fourth intake of seven trainees, providing part time options for the first time.

# Operating and Financial Review

for the year ended 31 March 2015

## Summary Five Year Financial Performance

	2013/14 £'000	2012/13 £'000	2011/12 £'000	2010/11 £'000	2009/10 £'000
<b>Income &amp; Expenditure Account</b>					
Turnover	39,634	38,832	38,832	35,680	35,073
Operating Costs	(37,468)	(34,133)	(34,133)	(25,827)	(25,640)
Surplus	2,166	4,699	4,699	9,853	9,433

## Balance Sheet

Fixed Assets	61,248	55,680	43,388	24,070	6,273
Net Current Assets / (Liabilities)	9,880	9,433	(3,132)	(1,825)	1,691
Loans	(42,000)	(42,000)	(21,000)	(7,500)	-
	29,128	23,113	19,256	14,745	7,964
Reserves	29,128	23,113	19,256	14,745	7,964

## Cashflow Statement

Net Cash Inflow - Operating Activities	9,541	12,112	10,413	8,685	6,889
Servicing of Financing and Investing	(3,030)	(3,125)	(2,077)	(923)	(966)
Capital Expenditure	(8,387)	(17,697)	(21,427)	(17,335)	(1,898)
Financing	-	21,000	13,500	7,500	(4,000)
Increase / (decrease) in cash	(1,876)	12,290	409	(2,073)	25

# Operating and Financial Review

## for the year ended 31 March 2015

### Future Financial Performance

The financial plan for the period 2015-20 has been approved by the Board. The Association's financial plan demonstrates the capacity to deliver the aspirations of the Association. The key projections included in the Financial Plan are:

- ▶ **income & expenditure account** - turnover is projected to rise from £41 million in 2014/15 to £49 million by 2019/20. Significant investment in properties continues to be a key feature of the financial plan with £150 million projected expenditure on improvements and maintenance of properties between 2015 and 2020;
- ▶ **balance sheet** - total housing assets are projected to be £222 million as at 31 March 2020. Net fixed assets will amount to £103 million at this date. These assets are funded by loans totalling £84 million and grant totalling £73 million;
- ▶ **the cashflow forecast** gives a more complete picture of the financial position of the Association than the income and expenditure account. A large proportion of the Association's expenditure is on the investment programme which is not reflected fully in the income and expenditure account. Total cash deficits over the five years to 2020 amount to £59 million which will be funded through receipt of dowry, loans and cash reserves; and
- ▶ **peak debt** is projected to be £84 million in 2020. The debt is fully repaid by 2034 in line with the terms of the loan agreement.

As a not-for-profit RSHP all resources are reinvested in improvements to homes, services and neighbourhoods for the benefit of residents and the city.

### Key Accounting Policies

The principal accounting policies are set out in Note 1 to the financial statements on pages 21 to 24. The most critical accounting policies in terms of the impact of the financial statements are the calculation of depreciation on housing properties and the capitalisation of the investment in housing properties. These two accounting policies have remained unchanged from the previous year.

### Going Concern

After making enquiries, the Board of Management has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. For this reason the going concern basis has been adopted in these financial statements.

### Statement of Compliance

As it is considered to be best practice for Registered Social Housing Providers with more than 5,000 units in management at the balance sheet date to publish an operating and financial review, the Association has adopted the Accounting Standards Board Reporting Standard 1: Operating and Financial Review in full.

# Board Report

## for the year ended 31 March 2015

The Board presents its report and the audited financial statements for the year ended 31 March 2015.

### Principal Activities

The principal activity of the Association is the provision of affordable housing and related regeneration activities supporting local neighbourhoods within the City of Newport. The Association is exempt from Corporation Tax on its charitable activities.

### Performance for the Year

The Board reports a deficit for 2014/15 of £829,000. The deficit does not include capital expenditure of £16 million. During the year the Association spent £38 million on reactive, cyclical and planned repairs, adaptations and improvements to housing properties.

The balance sheet shows housing assets of £103.5 million and capital grants received of £40.5 million. Net current assets as at 31 March 2015 were £24.3 million. There were loans of £63 million outstanding at 31 March 2015.

The cashflow statement shows an increase in cash of £16.3 million due to the loan drawdown of £21 million in April 2014.

### Board and Senior Executives

Membership of the Board and the Executive Team is set out on page 2. All Board Members, except for Council nominees, hold share capital in the Association with Newport City Council being issued with one share. The senior executives of the Association do not hold share capital in the Association and although not having the legal status of directors, they act as executives within the authority delegated to them by the Board.

### Board and Governance Structure

The Board currently comprises up to fifteen non-executive members and is responsible for strategic direction and monitoring the activities of the Association. The Board comprises six tenants, five independents and four nominees from Newport City Council. Board members are drawn from a wide background bringing together a professional, commercial, local and resident focus.

The Association complies with the Code of Governance of Community Housing Cymru.

The Board is responsible for the Association's strategy and policy framework. It delegates day-to-day management and implementation of that framework to the Chief Executive and other senior executives who meet regularly and attend Board meetings.

# Board Report

for the year ended 31 March 2015

## Committees

During the 2014/15 financial year, the Board agreed to remove the existing Resources and Service Delivery Committees and move to a Board only reporting structure, supported by the Audit Committee and Remuneration Committee.

The Board agreed to review the role of the Audit Committee and set up a Task & Finish Group comprising Board members and Officers to conduct this work. The role of the Audit Committee in providing the Board with assurance on the adequacy of the internal control framework, risk management framework and Value for Money will form part of the review. The Task & Finish Group will complete its work early in 2015/16.

The Remuneration Committee comprises the Chair and up to four members of the Board. The Committee advises the Board on the remuneration and terms and conditions of service for staff.

## Responsibilities of the Board

The Board is responsible for preparing the Financial Statements in accordance with applicable law and regulations. The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year. Under those regulations the Board has elected to prepare the financial statements in accordance with UK Accounting Standards.

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period.

In preparing these financial statements, the Board is required to:

- ▶ select suitable accounting policies and then ensure that they are applied consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP) have been followed, subject to any material departures disclosed and explained in these financial statements; and
- ▶ ensure that the Financial Statements are prepared on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that its Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing Act 1996 and the Accounting Requirements for Social Landlords Registered in Wales: General Determination 2009. The Board is also responsible for ensuring that the assets of the Association are safeguarded and to prevent and detect fraud and other irregularities. The Board has a current policy on the prevention, detection and reporting of fraud and has reviewed the current register of fraud.

# Board Report

## for the year ended 31 March 2015

### Internal Control

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- ▶ the reliability of financial information used by the Association or for publication;
- ▶ the maintenance of proper accounting records; and
- ▶ the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems for internal financial control. Such systems only provide reasonable but not absolute assurance against material misstatement or loss. Key elements include ensuring that:

- ▶ experienced and suitably qualified staff take responsibility for important business functions;
- ▶ formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restricts the unauthorised use of the Association's assets;
- ▶ all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures; and

- ▶ the Audit Committee reviews reports from management and the internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed.
- ▶ This includes a general review of the major risks facing the Association not otherwise dealt with directly by the Board. Formal procedures have been established for instituting appropriate action to correct material weaknesses identified from the above reports. The Audit Committee makes regular reports to the Board.

### Employees

The strength of the Association relies on the commitment from its staff. The Association's ability to meet its key objectives and commitments to the residents of Newport depends on the contribution of employees throughout the Association.

In pursuit of the Association's commitment to be an organisation that listens, learns and improves, it has continued to invest in targeted training and development of staff during the year, as we recognise this is one of the key drivers of improved business performance and service delivery outcomes for residents.

The Association is fully committed to equal opportunities and values the diversity of all its employees, residents and the communities in which it works. In particular, the Association supports the employment of and retention of employees with protected characteristics in relation to the Equalities Act.

# Board Report

for the year ended 31 March 2015

## Disclosure of Information to Auditors

The Board members who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditors are unaware, and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

A resolution to re-appoint Haines Watts Wales LLP as the Association's External Auditors will be proposed at the Annual General Meeting on 8 September 2015.

Approved by the Board and signed on its behalf by:



**Chris JH England**  
**Chair of the Board**  
7 July 2015

# Independent auditors report

## to the members of Newport City Homes Limited for the year ended 31 March 2015

We have audited the financial statements of Newport City Homes Limited ('the Association') for the year ended 31 March 2015 which comprise the Income and Expenditure Account, Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body corporate, in accordance with the requirements of the Co-Operative and Community Benefit Societies Act 2014, schedule 1 to the Housing Act 1996 and the Accounting Requirements for Social Landlords Registered in Wales - General Determination 2009. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted

by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Board and the auditor**

As explained more fully in the Statement of Board's responsibilities, set out on pages 10 to 13, the Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical standards for Auditors.

We review whether the Board's statement on internal financial control reflects the Association's compliance with the

# Independent auditors report

to the members of Newport City Homes Limited  
for the year ended 31 March 2015

Housing for Wales Circular HFW 02/10 “Internal controls and reporting” and we report whether the statement is not inconsistent with the information of which we are aware from our audit of the financial statements. We are not required to form an opinion on the effectiveness of the Association’s corporate governance procedures or its internal financial control.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association’s circumstances and have been consistently applied and adequate disclosed; the

reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Operating and Financial review and the Board report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# Independent auditors report

to the members of Newport City Homes Limited  
for the year ended 31 March 2015

## Opinion on Internal Control

In our opinion, with respect to the Board's statement on internal financial control:

- ▶ the Board has provided the disclosures required by the Circular and the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

## Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the Association's affairs as at 31 March 2015 and of its income and expenditure for the year then ended;
- ▶ have been properly prepared in accordance with the Co-Operative and Community Benefit Societies Act 2015, schedule 1 to the Housing Act 1996 and the Accounting Requirements for Social Landlords Registered in Wales - General Determination 2009.

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

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

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

*Haines Watts Wales LLP*

**Haines Watts Wales LLP  
Statutory Auditor**

7 Neptune Court  
Vanguard Way  
Cardiff  
CF24 5PJ

**Date:** *13 July 2015*

# Income and expenditure account

for the year ended 31 March 2015

	<i>notes</i>	<b>2015</b> <b>£'000</b>	2014 £'000
Turnover	2	<b>40,953</b>	39,634
Operating costs	2	<b>(36,555)</b>	(35,002)
Operating surplus		<b>4,398</b>	4,632
Surplus on sale of fixed assets	5	<b>763</b>	569
Interest receivable		<b>223</b>	171
Interest payable and similar charges	10	<b>(6,213)</b>	(3,206)
<b>(Deficit)/Surplus on ordinary activities before taxation</b>		<b>(829)</b>	2,166
Taxation		-	-
<b>(Deficit)/Surplus for the year after tax</b>		<b>(829)</b>	2,166
Transfer to reserves	20	<b>(4,199)</b>	488
		<b>(5,028)</b>	2,654
General reserve brought forward		<b>5,764</b>	3,110
General reserve carried forward		<b>736</b>	5,764

The Association's income and expenditure relate to continuing operations. There is no difference between the historic cost results and those shown on the income and expenditure account above.

## Statement of recognised surpluses and deficits

for the year ended 31 March 2015

	<b>2015</b> <b>£'000</b>	2014 £'000
(Deficit)/Surplus for the year before transfers to reserves	<b>(829)</b>	2,166
Actuarial (loss)/gain	<b>(4,951)</b>	3,849
<b>Total recognised (deficit)/surplus for the year</b>	<b>(5,780)</b>	6,015

# Balance Sheet

as at 31 March 2015

	<i>notes</i>	<b>2015 £'000</b>	2014 £'000
<b>Tangible fixed assets</b>			
Housing properties	11	<b>103,463</b>	92,509
Capital grants	12	<b>(40,478)</b>	( 33,578)
		<b>62,985</b>	58,931
Other property	13	<b>136</b>	100
Other fixed assets	14	<b>2,053</b>	2,217
		<b>65,174</b>	61,248
<b>Current assets</b>			
Stock	15	<b>51</b>	85
Debtors	16	<b>3,463</b>	4,187
Cash at bank and in hand		<b>28,327</b>	12,066
		<b>31,841</b>	16,338
Creditors: amounts falling due within one year	17	<b>(7,517)</b>	(7,681)
<b>Net current assets</b>		<b>24,324</b>	8,657
LGPS pension asset	25	<b>-</b>	1,515
<b>Total assets</b>		<b>89,498</b>	71,420
Creditors: amounts falling due after more than one year	18	<b>(63,000)</b>	(42,000)
LGPS pension liability	25	<b>(3,150)</b>	-
Provision	23	<b>-</b>	(292)
<b>Net Assets</b>		<b>23,348</b>	29,128
<b>Capital and reserves</b>			
Share capital	19	<b>2</b>	2
General reserves	20	<b>736</b>	5,764
Designated and other reserves	20	<b>22,610</b>	23,362
		<b>23,348</b>	29,128

The financial statements were approved by the Board of Management on 7 July 2015 and signed on its behalf by:



**C England**  
Chair



**D Taylor**  
Vice Chair



**L Clark**  
Secretary

# Cash Flow Statement

for the year ended 31 March 2015

	<i>notes</i>	<b>2015</b> <b>£'000</b>	2014 £'000
<b>Net cash flow from operating activities</b>	(a)	<b>9,978</b>	9,541
<b>Returns on investment and servicing of finance</b>			
Interest received		<b>197</b>	196
Interest paid		<b>(6,208)</b>	(3,226)
		<b>(6,011)</b>	(3,030)
<b>Capital Expenditure</b>			
Purchase and construction of housing & other properties		<b>(15,990)</b>	(15,347)
Capital grants received		<b>6,950</b>	6,745
Purchase of other fixed assets		<b>(513)</b>	(336)
Sale of housing properties & land		<b>847</b>	551
Sale of other fixed assets		<b>-</b>	-
		<b>(8,706)</b>	(8,387)
<b>Financing</b>			
Housing loans received		<b>21,000</b>	-
Housing loans repaid		<b>-</b>	-
	(b)	<b>21,000</b>	-
Increase/(decrease) in cash	(c)	<b>16,261</b>	(1,876)

# Notes to the Cashflow Statement

## for the year ended 31 March 2015

### a. Reconciliation of operating surplus to net cash inflow from operating activities

	2015 £'000	2014 £'000
Operating surplus	4,398	4,632
Depreciation of tangible fixed assets	4,180	3,919
Prepaid loan fees	68	68
LGPS - movement between current and past service cost and contributions paid	(286)	206
	<b>8,360</b>	8,825
<b>Working Capital Movements</b>		
Decrease/(increase) in stock	34	(31)
Decrease/(increase) in operating debtors	470	(390)
Increase in operating creditors	1,194	377
(Decrease)/increase in provisions	(80)	760
Net cash flow from operating activities	<b>9,978</b>	9,541

### b. Reconciliation of net cash inflow to movement in net debt

	2015 £'000	2014 £'000
Increase/(Decrease) in cash	16,261	(1,876)
(Increase) in loans	(21,000)	-
(Increase) in net debt	(4,739)	(1,876)
Net debt at 1 April 2014	(29,934)	(28,058)
<b>Net debt at 31 March 2015</b>	<b>(34,673)</b>	(29,934)

### c. Analysis of net debt

	Cash at bank and in hand £'000	Loans due in more than one year £'000	<b>Changes in net debt £'000</b>
At 1 April 2014	12,066	(42,000)	<b>(29,934)</b>
Net cash flows	16,261	(21,000)	<b>(4,739)</b>
<b>At 31 March 2015</b>	<b>28,327</b>	<b>(63,000)</b>	<b>(34,673)</b>

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 1. PRINCIPAL ACCOUNTING POLICIES

A summary of the more important accounting policies, which have been applied consistently, are set out below:

#### Basis of accounting

The financial statements are prepared on the historical cost basis of accounting in accordance with applicable financial reporting standards in the United Kingdom, including the Statement of Recommended Practice (SORP) for “Accounting by Registered Social Housing Providers” as updated in 2010, and comply with the Accounting Requirements for Social Landlords registered in Wales General Determination 2009.

#### Turnover

Turnover comprises:

- rent and service charges receivable net of empty property voids;
- fees; and
- revenue grants.

#### Housing properties

In March 2009 all housing properties transferred at no cost from Newport City Council and were also subject to a nil valuation based on an independent report using the basis of existing use value for social housing. Investment works in the housing property stock that have been capitalised are valued at cost less depreciation.

“Housing properties in the course of construction” are stated at cost and transferred into “housing properties” when completed.

Any overhead costs directly attributable to bringing fixed assets into their working condition for their intended purpose are capitalised. Expenditure on initial purchase of land and buildings is capitalised and disclosed as part of housing properties in course of construction within tangible fixed assets. Any directly attributable finance costs (other than interest costs) are capitalised as the asset is developed and amortised over the life of that asset. The Association does capitalise interest on loans raised to finance schemes prior to completion.

Some residents have rights under their tenancy agreement to purchase their homes at prices which are at a discount below the open market price. Surpluses or deficits on disposals of properties are recognised as at the date a sale becomes certain. The surplus or deficit arising on a disposal of a property is the difference between the sale price and the aggregate of the depreciated cost and any associated costs of disposal such as valuation and Legal fees. Any Social Housing grant (SHG) originally received on a property is repayable in full in the case of a disposal, demolition or change of use to an ineligible activity, save that in circumstances where the Welsh Government considers appropriate it may reduce the amount repayable. Where this arises on a disposal, the grant repayable so waived is added back to the surplus or deficit on that disposal.

# Notes to the Financial Statements

## for the year ended 31 March 2015

### Interest payable

Interest payable is charged to the income and expenditure account to reflect the costs of loan finance attributable to each accounting period.

### Depreciation

The Association depreciates its housing properties in accordance with the Statement of Recommended Practice (SORP) "Accounting by Registered Social Housing Providers". Depreciation is charged on the historic cost of property (excluding land) after deducting grants and an amount for residual value. The depreciable amount is written off over the estimated useful lives as follows:

	<b>Houses</b>	<b>Flats</b>
New build properties	150 years	110 years
Acquisition / refurbishments	100 years	80 years

Properties on long leases are depreciated over the shorter of the above and/or the remaining period of the lease.

The policy in respect of expenditure to refurbish or replace major components is that all such work is assessed against life cycle costing principles. Any cost in respect of repairs with a life of less than 10 years is charged directly to the income and expenditure account.

Refurbishment or replacement of major components which have an estimated useful life in excess of 10 years are capitalised and depreciated over the useful life of the component as follows:

Windows and doors	30 years
Kitchens	15 years
Bathrooms	25 years
Central heating	15 to 30 years
Roofing	15 to 55 years

Depreciation is charged over the expected useful economic life of other fixed assets as follows:

Office refurbishment	15 years
Office & I.T. equipment	4 to 10 years
Vehicles and equipment	5 to 20 years

### Capital Grants

The Association received financial assistance from the Welsh Government to support the delivery of the business plan and the achievement of the Welsh Housing Quality Standard. There is no requirement to repay this grant when disposal occurs.

# Notes to the Financial Statements

## for the year ended 31 March 2015

### Supporting People

Supporting People income and expenditure is accounted for on an accruals basis, matching income and expenditure and disclosures are made in accordance with relevant standards and legislation.

### Impairment

Housing properties are annually reviewed for impairment. Where there is evidence of impairment, housing properties are written down to their recoverable amount. The review undertaken during the year has indicated that no impairment has occurred.

### Repairs and maintenance

The costs of repairs and maintenance are expensed as incurred on the basis of work done at the balance sheet date.

### Operating leases

Costs in respect of operating leases are charged to the income and expenditure account as they are incurred.

### Stock

Stock is valued at the lower of cost or net realisable value.

### Right to Buy sales

Surpluses arising from sales of properties under the Right to Buy legislation are disclosed on the face of the income and expenditure account. Surpluses arising from property sales are transferred to the Major Repairs and Regeneration Designated Reserve to help fund the investment programme to bring properties up to the Welsh Housing Quality Standard.

### Value Added Tax

The Association is partially exempt for VAT purposes and claims are made for repayment of VAT for items that are specifically allowable. Expenditure is shown inclusive of non-recoverable VAT.

### Provisions

Provisions are recognised where uncertainty exists regarding the timing or amount that may be required to settle potential liabilities. Any amounts provided are charged to the income and expenditure account and credited to the balance sheet based upon the Association's best estimate of potential liabilities.

# Notes to the Financial Statements

## for the year ended 31 March 2015

### Pension costs

The Association participates in two pension schemes:

- ▶ The Social Housing Pension Scheme (SHPS) is a defined benefits scheme managed by the Pensions Trust. Contributions are based on pension costs across the various participating associations taken as a whole and assets of the scheme are invested and managed independently of the finances of the Association. It is not possible to identify the share of underlying assets and liabilities belonging to the individual participating employers, therefore in accordance with Financial Reporting Standard No. 17 – Retirement Benefits (FRS17) contributions payable to the Association’s pension scheme are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme. The Association ceased to be part of the scheme in July 2014 when the last scheme member retired. The Association does not have any further liabilities in respect of SHPS.
- ▶ The Local Government Pension Scheme (LGPS), a defined benefits scheme managed by Torfaen County Borough Council (Greater Gwent). Contributions are assessed in accordance with the advice of an independent qualified actuary.
- ▶ Certain information concerning the assets, liabilities, income and expenditure relating to the LGPS scheme are disclosed in accordance with Financial Reporting Standard No. 17 – Retirement Benefits (FRS17).

### Designated reserve

The Board will determine, on an annual basis, the amount of surplus that will be set aside for a Major Repairs and Regeneration designated reserve. This is to ensure that any difference between the estimated costs at transfer of the average costs of improvements and actual costs is addressed, such that promises to the residents via the Offer Document /Transfer Agreement and the Welsh Housing Quality Standard can be delivered.



# Notes to the Financial Statements

## for the year ended 31 March 2015

### 2. TURNOVER, OPERATING COSTS AND SURPLUS

	Year ended 31 March 2015			Year ended 31 March 2014		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and expenditure from lettings</b>						
General needs housing	<b>39,382</b>	<b>35,380</b>	<b>4,002</b>	37,797	33,862	3,935
<b>Fully rented housing accommodation</b>	<b>39,382</b>	<b>35,380</b>	<b>4,002</b>	37,797	33,862	3,935
Garages	<b>247</b>	<b>412</b>	<b>(165)</b>	281	59	222
Other activities	<b>1,324</b>	<b>763</b>	<b>561</b>	1,556	1,081	475
<b>Total</b>	<b>40,953</b>	<b>36,555</b>	<b>4,398</b>	39,634	35,002	4,632

### 3. TURNOVER FROM LETTINGS

	2015 £'000	2014 £'000
General needs housing		
Rents receivable (net )	<b>36,725</b>	35,289
Service charges receivable	<b>2,371</b>	2,248
	<b>39,096</b>	37,537
Supporting People Grant	<b>286</b>	260
	<b>39,382</b>	37,797

# Notes to the Financial Statements

for the year ended 31 March 2015

## 4. OPERATING COSTS FROM LETTINGS

	2015 £'000	2014 £'000
General needs housing		
Management costs	5,194	6,173
Service Charge costs	4,251	4,652
Planned maintenance	10,635	7,768
Day to day maintenance	11,585	11,599
Depreciation of housing properties	3,503	3,199
	<b>35,168</b>	33,391
Rent losses from bad debts	212	471
	<b>35,380</b>	33,862
Operating Surplus on social housing lettings	4,002	3,935
Rent loss due to voids (memorandum note)	889	703

## 5. SURPLUS ON SALE OF FIXED ASSETS

	2015 £'000	2014 £'000
Sale proceeds	859	559
Cost of sales	(96)	(39)
Prior year dowry disposal	0	49
Surplus on disposal	<b>763</b>	569

During the year the Association sold 10 properties under Right to Buy, 3 properties staircased and there were 3 land sales.

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 6. OPERATING SURPLUS FOR THE PERIOD

	<b>2015</b> <b>£'000</b>	2014 £'000
Operating surplus for the period is stated after charging:		
Depreciation	<b>4,180</b>	3,919
Rent losses from bad debts	<b>212</b>	471
Operating leases	<b>531</b>	703
Auditor's remuneration (inclusive of VAT):		
in their capacity as auditors	<b>15</b>	15

### 7. BOARD MEMBERS AND SENIOR EXECUTIVES EMOLUMENTS

The remuneration paid to the senior executives of the Association was:

	<b>2015</b> <b>£'000</b>	2014 £'000
Emoluments (including pension contributions and benefits in kind)	<b>568</b>	562
Emoluments (excluding pension contributions) paid to the highest paid senior executive	<b>105</b>	130

No remuneration was paid to the members of the Board of Management during the year.

The Chief Executive is an ordinary member of the LGPS pension scheme and no enhanced or special terms apply. The Association's contribution in respect of the Chief Executive's pension fund amounted to £9,240 (2014 - £12,744). Newport City Homes does not make any further contribution to any individual pension arrangement for the Chief Executive. The emoluments paid to the Chief Executive include a 10% car allowance.

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 8. EMPLOYEE AND EMPLOYER COSTS

	2015 £'000	2014 £'000
Staff costs during the year:		
Wages and salaries	7,755	8,372
Social security costs	668	681
Other pension costs	1,218	1,217
	<b>9,641</b>	10,270

	2015 No.	2014 No.
Average number of full time equivalent employees during the year:		
Management and administration	200	224
Wardens, caretakers and cleaners	36	31
Housing repair service	68	81
	<b>304</b>	336

### 9. INTERESTS AND RELATED PARTY TRANSACTIONS

During the year the Association provided rented accommodation to five Board members who were tenants of the Association, and charged rent to those members on the Association's standard terms. Tenant Board members are unable to use their position to their advantage. Where Board members are Councillors, any transaction with those local authorities are at an arms length basis and as such Board members are unable to use their position to their advantage.

### 10. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Interest payable and similar charges	6,213	3,206
	<b>6,213</b>	3,206

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 11. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Freehold Housing properties held for letting £'000	Housing properties in the course of construction £'000	<b>2015 Total £'000</b>
<b>Cost</b>			
At 1 April 2014	101,815	-	101,815
Additions during the year	14,583	-	14,583
Disposals during the year	(148)	-	(148)
At 31 March 2015	116,250	-	116,250
<b>Depreciation</b>			
At 1 April 2014	9,306	-	9,306
Charge for the year	3,495	-	3,495
Disposals during the year	(14)	-	(14)
At 31 March 2015	12,787	-	12,787
<b>Net book value</b>			
<b>At 31 March 2015</b>	103,463	-	103,463
At 1 April 2014	92,509	-	92,509

Major repairs and investment in existing properties properties to let during the year amounted to £25.3million (including capitalised salaries of £550,767). This has been accounted for as follows:

	<b>2015 £'000</b>	2014 £'000
Planned maintenance (revenue)	<b>10,635</b>	7,768
Investment (capital)	<b>14,583</b>	15,771
	<b>2015 No.</b>	2014 No.
<b>Units in Management:</b>		
General needs housing properties in management	<b>8,987</b>	8,995
Shared ownership	<b>158</b>	161
Leasehold management services	<b>638</b>	641
Garages	<b>673</b>	1,700
	<b>10,456</b>	11,497

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 12. TANGIBLE FIXED ASSETS - CAPITAL GRANTS

	Housing properties held for letting £'000	Housing properties in the course of construction £'000	<b>2015 Total £'000</b>
At 1 April 2014	33,578	-	<b>33,578</b>
Additions during the year:			
Dowry	6,500	-	<b>6,500</b>
Other Capital grants	451	-	<b>451</b>
Disposals during the year	(51)	-	<b>(51)</b>
<b>At 31 March 2015</b>	<b>40,478</b>	<b>-</b>	<b>40,478</b>

### 13. OTHER PROPERTY

Other property consists of 99 (99 - 2014) commercial properties in Newport.

	<b>2015 £'000</b>
<b>Cost</b>	
At 1 April 2014	<b>106</b>
Additions during the year:	<b>44</b>
Disposals during the year	<b>-</b>
At 31 March 2015	<b>150</b>
<b>Depreciation</b>	
At 1 April 2014	<b>6</b>
Additions during the year:	<b>8</b>
Disposals during the year	<b>-</b>
At 31 March 2015	<b>14</b>
<b>Net book value</b>	
<b>At 31st March 2015</b>	<b>136</b>
At 1 April 2014	<b>100</b>

The office premises at Malpas transferred from Newport City Council in March 2009 at nil value. The Association partially lets the offices to contractors on an arms length basis.

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 14. TANGIBLE FIXED ASSETS - OTHER

	Office premises £'000	Service assets £'000	Vehicles & office equipment £'000	<b>2015 Total £'000</b>
<b>Cost</b>				
At 1 April 2014	1,307	170	3,704	<b>5,181</b>
Additions during the year:	20	153	340	<b>513</b>
Disposals during the year	-	-	(14)	<b>(14)</b>
At 31 March 2015	1,327	323	4,030	<b>5,680</b>
<b>Depreciation</b>				
At 1 April 2014	381	52	2,531	<b>2,964</b>
Additions during the year:	94	54	529	<b>677</b>
Disposals during the year	-	-	(14)	<b>(14)</b>
At 31 March 2015	475	106	3,046	<b>3,627</b>
<b>Net book value</b>				
<b>At 31 March 2015</b>	<b>852</b>	<b>217</b>	<b>984</b>	<b>2,053</b>
At 1 April 2014	926	118	1,173	2,217

### 15. STOCK

	<b>2015 £'000</b>	2014 £'000
Stocks of materials	<b>51</b>	85
	<b>51</b>	85

# Notes to the Financial Statements

for the year ended 31 March 2015

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR:

	2015 £'000	2014 £'000
Arrears of rent and service charges	2,189	2,128
Less: provision for bad and doubtful debts	(1,526)	(1,314)
	663	814
Prepaid loan monitoring fees	79	94
Prepaid loan facility fees	68	68
Debtors and prepayments	1,431	1,921
	2,241	2,897
Debtors: falling due after more than one year:		
Prepaid loan facility fees	1,222	1,290
	3,463	4,187

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade Creditors	20	724
Accruals and deferred income	6,529	6,001
Prepayments of rents and service charges	804	823
Prepayments of other charges	162	132
Deposits	2	1
	7,517	7,681

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<b>2015</b> <b>£'000</b>	2014 £'000
Housing loans	<b>63,000</b>	42,000
	<b>2015</b> <b>£'000</b>	2014 £'000
Loans repayable by instalments fall due as follows:		
In five years or more	<b>63,000</b>	42,000
Between two and five years	-	-
	<b>63,000</b>	42,000
In one year or less	-	-
	<b>63,000</b>	42,000

At 31 March 2015, the Association had un-drawn loan facilities of £49.5 million. Loans are secured on all properties where the Association holds an interest. Loan interest payable varies between 6.23% and 6.25%

### 19. NON-EQUITY SHARE CAPITAL

	<b>2015</b> <b>£</b>	2014 £
Shares of £1 issued:		
At 1 April 2014	<b>1,862</b>	1,918
Issued during the year	<b>21</b>	142
Cancelled during the year	<b>(231)</b>	(198)
At 31 March 2015	<b>1,652</b>	1,862

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



# Notes to the Financial Statements

## for the year ended 31 March 2015

### 22. CAPITAL COMMITMENTS

	2015 £'000	2014 £'000
Capital expenditure contracted but not provided for in the financial statements	12,252	22,182
Capital expenditure authorised by the Board but not contracted	25,463	9,028

These capital commitments are to meet Welsh Housing Quality Standards and will be funded by existing loan facilities as detailed in Note 18, and capital grants from the Welsh Government.

### 23. PROVISIONS

	SHPS Exit Debt £'000	2015 £'000
At 1 April 2014	292	292
Provisions made in the year	-	-
Provisions released in the year	( 292)	( 292)
<b>At 31 March 2015</b>	-	-

The provision relates to the exit debt for the Social Housing Pension scheme. The Association gave notice to SHPS of its intention to leave the scheme in July 2014 when the last member of the scheme left the employment of the Association. This action triggered an exit debt for which a provision was made in 2014. This provision has now been released as the exit debt has been paid.

# Notes to the Financial Statements

## for the year ended 31 March 2015

### 24. NET ASSETS

The balance sheet of the Association is reporting net assets of £23.4 million as at 31 March 2015, compared to net assets of £29.1 million at the end of the previous financial year.

The £5.7 million reduction in the net assets position is due to a deficit of £0.8 million on ordinary activities and an actuarial loss of £4.9 million arising from the LGPS.

The Association made a deficit on ordinary activities during the year due to one off costs in relation to the Loan Facility.

Significant investment in our properties continues to be a key feature moving forward. The financial plan shows cash deficits for the next five years which will be funded through dowry, loans and cash resources.

The Welsh Government has undertaken to pay a dowry to the Association in acknowledgement of the level of work required. This dowry is payable in annual instalments phased to reflect the Association's long term financial plan.

The Board is satisfied that the availability of future loan finance and the dowry payment to be paid by the Welsh Government are sufficient to ensure that the Association will be able to meet its future liabilities as they fall due.

### 25. PENSION COSTS

The Association participates in the Torfaen County Borough Council (Greater Gwent) pension scheme (LGPS).

Further information on the scheme is given below:

#### LGPS

The Association participates in the Torfaen County Borough Council (Greater Gwent) pension scheme which is a defined benefit scheme based on final pensionable salary. Certain employees of the Association participated in the scheme prior to the stock transfer taking place and, as such, assets or liabilities attributable to these individuals were identified at the transfer date i.e. 9th March 2009. As part of the transfer agreement, liability for the proportion of the debt attributable to these employees that relates to the pre-transfer period rests with Newport City Council. The gains and losses recognised by the Association therefore relate solely to the period since transfer.

The most recent valuation was carried out at the 30 September 2013 and has been updated by independent actuaries to the scheme to take into account the requirements of FRS17 in order to assess the liabilities of the fund at 31 March 2015. Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities discounted to their present value. The Association's contribution rate from 1 April 2014 to 31 March 2015 was 13.2% of members' contributions.

The principal assumptions used by the independent qualified actuaries in updating the latest valuations of the fund for FRS17 purposes were:

# Notes to the Financial Statements

## for the year ended 31 March 2015

	<b>2015</b> <b>%pa</b>	2014 %pa
Discount rate	<b>3.4%</b>	4.6%
Rate of increase in salaries	<b>3.6%</b>	3.9%
Rate of increase in pensions	<b>2.1%</b>	2.4%
Rate of RPI Inflation	<b>n/a</b>	n/a
Rate of CPI Inflation	<b>2.1%</b>	2.4%

	<b>2015</b> <b>%pa</b>	2014 %pa
<b>Expected rates of return on:</b>		
- Equities	<b>6.5%</b>	7.0%
- Government Bonds	<b>2.2%</b>	3.4%
- Other bonds	<b>2.9%</b>	4.3%
- Property	<b>5.9%</b>	6.2%
- Cash/liquidity	<b>0.5%</b>	0.5%
- Other	<b>6.5%</b>	7.0%
Expenses deduction	<b>0.26%</b>	0.3%

	<b>2015</b> <b>£'000</b>	2014 £'000
<b>Market value</b>		
Equities	<b>25,683</b>	22,725
Government Bonds	<b>2,539</b>	2,119
Other bonds	<b>2,572</b>	2,177
Property	<b>890</b>	755
Cash/liquidity	<b>198</b>	261
Other	<b>1,088</b>	987
	<b>32,970</b>	29,024

# Notes to the Financial Statements

## for the year ended 31 March 2015

The movement in the net surplus for the period to 31 March 2015 is as follows:

	2015 £'000	2014 £'000
<b>Reconciliation of funded status to balance sheet</b>		
Fair value of plan assets	32,970	29,024
Value of funded obligations	(36,120)	(27,509)
<b>Total estimated scheme (deficit) / surplus</b>	<b>(3,150)</b>	1,515

	2015 £'000	2014 £'000
<b>Components of pension costs for year:</b>		
Current service cost	967	1,136
Interest on pension liabilities	1,279	1,269
Expected return on assets	(1,787)	(1,592)
Effect of curtailments or settlements	123	37
<b>Total pension cost recognised in income and expenditure account</b>	<b>582</b>	850

	2015 £'000	2014 £'000
<b>Statement of recognised surpluses and deficits</b>		
Actuarial losses / (gains)	4,951	(3,849)
<b>Total pension cost recognised in the statement of recognised surpluses and deficits</b>	<b>4,951</b>	(3,849)

	2015 £'000	2014 £'000
<b>Changes to the fair value of assets during the year:</b>		
Present value of scheme assets at 31 March 2014	29,024	25,573
Expected return on assets	1,787	1,592
Business combinations	-	-
Actuarial gains on assets	1674	1
Contributions by the employer	868	643
Contributions by the participants	378	373
Benefits and transfers paid	(761)	(842)
<b>Total fair value of plan assets</b>	<b>32,970</b>	29,024

# Notes to the Financial Statements

## for the year ended 31 March 2015

	<b>2015</b> <b>£'000</b>	2014 £'000
<b>Changes to present value of liabilities during the year:</b>		
Present value of scheme liabilities at 31 March 2014	27,509	27,700
Current service cost	967	1,136
Interest cost	1,279	1,269
Contributions by the participants	378	373
Past service cost (gain)	-	-
Actuarial (gains)/losses on liabilities	6,625	(3,848)
Curtailments	123	37
Benefits and transfers paid	(761)	(842)
Business combinations	-	-
<b>Total value of funded obligations</b>	<b>36,120</b>	27,509

	<b>2015</b> <b>£'000</b>	2014 £'000
Actual return on plan assets	<b>3,460</b>	2,067
Experience gains/(losses) on assets	<b>1,674</b>	1
Experience gains/(losses) on liabilities	-	1,936





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