

Portal Housing Association

# Financial Statements

For the year ended

31 March 2008



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# Board of Management Report

The Board of Management is pleased to present its report and the audited financial statements for the Association for the year ended 31 March 2008.

## Principal Activities

Portal Housing Association Limited is a charitable organisation administered by a voluntary Board of Management. It is an Industrial & Provident Society and is a Registered Social Landlord.

It has one subsidiary, Swaythling Assured Homes Plc and is a subsidiary of Radian Group, a company Limited by Guarantee and a Registered Social Landlord. This organisation and its parent are subject to regulation by The Housing Corporation under the provisions of the Housing Acts.

The Association's principal activity is the provision of quality, cost effective housing and related services.

The Association owns 380 homes in six Local Authority areas in Hampshire and has fixed assets with a book cost of £30 million.

The homes owned by the Association are managed by The Swaythling Housing Society Limited, a subsidiary of Radian Group Limited and by two independent, registered social landlords: the Society of St James and Two Saints Limited.

The Association's Head Office is based in Eastleigh.

## Operating and Financial Review 2007/08

The Association made a surplus of £9 million for the year, compared with a surplus of £3.8 million in the previous year. The principal cause of this was the increase in the level of Gift Aid payments it received compared with 2006/07 and an increase in housing stock.

The Association borrowed a further £5.6 million during the year which has been used to acquire new homes. All borrowings are at a fixed rate of interest.

The Association had contracted to acquire 12 additional houses at the year end and intends to use the substantial cash balance it has to acquire further homes during the course of the next financial year. The Association paid premiums for insurance indemnifying Board members against liabilities arising from the exercising of their duties.

## The Board of Management

The Board of Management consists of five non-executive members, and is responsible for managing the affairs of the Association. Members are drawn from a wide background, bringing together professional, commercial and local experience.

The Board of Management at 31 March 2008 was as follows:-

- Geoffrey Pelling, Chairman
- Wycliffe Musuku, Vice Chairman
- Stephen Haynes
- Nigel Selley
- David Warlow

Each member of the Management Committee holds a £1 share in the Association as does the parent company. The membership of all the Boards in the Group was reviewed during the period to ensure that each Board had a balanced skills mix and an appropriate degree of independence.

The Board of Management met five times in the year, and was supported by the Audit Committee, Remuneration & Nominations Committee, Monitoring & Integration Committee, New Business Committee, the Eviction Panel and the following working groups:

- Pensions Working Party
- Continuous Improvement Steering Group.

## Internal Control

The Board acknowledges its ultimate responsibility for establishing and maintaining the whole system of internal controls that is appropriate to the various business environments in which it operates and for reviewing effectiveness of those controls. This applies to all companies and subsidiaries within Radian Group. These controls are designed to give reasonable assurance in respect of:

- the reliability of financial and operational information used within the Group or for publication;
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposal.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls that are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed as incorporated in the Housing Corporation's "Circular 07/07 – Internal Controls Assurance".

The process 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 includes:

### • Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review in each area of the Group's activities. The process is co-ordinated through a regular reporting framework by the Group Audit Committee. The Executive Team regularly considers reports on significant risks facing the Group and the Director of Corporate Services reports to the Board any significant changes affecting key risks.

- **Monitoring and corrective action**

A process of regular management reporting on control issues throughout the Group provides assurance to successive levels of management and to the Board. This includes a formal procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- **Control environment and control procedures**

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Board has adopted the "Code of Governance Competence and Accountability 2004" and complies in all areas but one where we allow some Members to remain on Boards beyond three terms of three years. The Standing Orders set out the Group's policies with regard to the quality, integrity and ethics of its employees and Board Members. A framework of policies and procedures with which employees must comply support these. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection. Annual employee appraisal procedures maintain standards of performance.

- **Information and financial reporting systems**

Forecasts and budgets are prepared which allow the Board and Management to monitor the key financial objectives and progress towards achieving financial plans set for the year and the medium term. Regular management accounts and key performance indicators are prepared, providing reliable and up-to-date financial and other information with significant variances investigated and reported as appropriate.

- **New Business**

All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, either through the Executive Appraisal Panel, the New Business Committee or the Board.

- **Group Audit Committee**

The Group Audit Committee reviews reports from Management, internal auditors and external auditors to provide reasonable assurance that the control procedures are in place and are being followed. This includes a regular review of the major risks facing the Group. The Group Audit Committee makes regular reports to the Board.

- **Fraud**

Radian is developing a Group approach to fraud prevention following recommendations from the internal auditors. A Group Anti-Fraud and Policy will be adopted covering prevention, detection and reporting of fraud and the recovery of assets. The Board via the Group Audit Committee has reviewed the fraud register and a Group Whistleblowing policy has been approved and adopted.

The internal control framework and the risk management process are subject to regular review by Internal Auditors who are responsible for providing independent assurance to the Board via the Group Audit Committee. The Internal Auditors have confirmed that for the 12 months ended 31st March 2008 Radian has adequate and effective control and governance processes to manage the achievement of the Group's objectives. The Group Audit Committee considers control and risk at each of its meetings during the year.

The Board (as well as the Group Audit Committee and subsidiary Boards) has conducted its annual review of the effectiveness of the system of internal controls and has taken account of any changes needed to maintain the effectiveness of the risk management and controls process.

The Board confirms that a process of integrating the risk policies of the Group parent and its subsidiaries is at a sufficiently advanced stage for the Group's Internal Auditors to have given assurance to the Group Audit Committee and the Board.

## **Statement of Disclosure to Auditors**

- a) so far as the Board members are aware, there is no relevant audit information of which the Society's auditors are unaware, and
- b) they have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

## **Auditors**

Deloitte & Touche LLP were appointed to fill a casual vacancy during the year and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board of Management

G Pelling  
Chairman 1 July 2008

# Statement of Board Members' Responsibilities in Respect of the Financial Statements

The Board Members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Housing association legislation requires the Board members to prepare financial statements for each financial year. Under that law the Board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing these financial statements, the Board Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Industrial & Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# Independent Auditor's Report to the shareholders of Portal Housing Association Limited

We have audited the financial statements of Portal Housing Association Limited for the year ended 31 March 2008 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the association's members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. 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 auditors' 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 Board of Management and Auditors**

The Board members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Board Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We also report to you, if, in our opinion, the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

We report to you our opinion, the directors' report is not consistent with the financial statements, if the Association has not kept proper accounting records, if a satisfactory system of control over transactions has not been maintained or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 March 2008 and of its surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

### **Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Southampton  
United Kingdom

Date: 8 August 2008

# Income and Expenditure Account

Year ended 31 March 2008

	Notes	2007/08 £'000	2006/07 £'000
<b>Turnover</b>	<b>2</b>	<b>10,209</b>	<b>4,744</b>
Operating costs	2	(857)	(654)
<b>Operating Surplus</b>		<b>9,352</b>	<b>4,090</b>
Interest receivable and similar income	3	453	145
Interest payable and similar charges	4	(853)	(481)
<b>Surplus on ordinary activities for the year</b>		<b>8,952</b>	<b>3,754</b>

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

None of the Association's activities were acquired or discontinued during the above two financial years.

The Notes on pages 10 to 17 form part of these financial statements.

The movement on accumulated reserves is set out in Note 14 to the financial statements.

There are no recognised gains or losses other than the surplus shown above of £8,951,937 in the year ended 31 March 2008 and the surplus of £3,753,961 in the year to 31 March 2007, and accordingly no Statement of Total Recognised Surpluses and Deficits is presented.

# Balance Sheet

As at 31 March 2008

	Notes	2007/08 £'000	2006/07 £'000
<b>Fixed Assets</b>			
Housing Properties at depreciated cost	7	33,599	22,953
Social Housing Grant	7	(7,407)	(5,614)
<b>Net book value of housing properties</b>		<b>26,192</b>	<b>17,339</b>
Fixed asset investments	10	4,000	4,000
<b>Total fixed assets</b>		<b>30,192</b>	<b>21,339</b>
<b>Current Assets</b>			
Debtors	8	963	488
Investments	9	2,964	2,359
Cash at bank and in hand	9	11,741	3,775
		15,668	6,622
Creditors: Amounts falling due within one year	11	(7,516)	(4,132)
<b>Net current assets</b>		<b>8,152</b>	<b>2,490</b>
<b>Total assets less current liabilities</b>		<b>38,344</b>	<b>23,829</b>
Creditors: Amounts falling due after more than one year	12	15,647	10,084
Called up share capital	13	-	-
Revenue reserve	14	22,697	13,745
		38,344	23,829

The Notes on pages 10 to 17 form part of these financial statements.

The financial statements on pages 8 to 17 were approved by the Board on 1st July 2008 and signed on its behalf by:

G Pelling  
Chair

W Musuku  
Vice Chair

A R Newberry  
Secretary

# Notes to the Financial Statements

## Note 1 – Accounting Policies

### Legal Status

The Association is registered under the Industrial & Provident Societies Act 1965 and is registered with The Housing Corporation as a social landlord.

### Introduction and Accounting Basis

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting by Registered Social Landlords Update 2005, in accordance with the Accounting Requirement for Registered Social Landlords General Determination 2006 and the Industrial & Provident Societies Acts 1965 to 2002.

The financial statements have been prepared under the historic cost convention.

The principal accounting policies are set out below.

### Basis of Preparation

Under Financial Reporting Standard 1 Portal Housing Association Limited is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Association in its own consolidated financial statements.

As Portal Housing Association limited is a wholly owned subsidiary of Radian Group Limited, it has taken advantage of the exemption contained in FRS8 and therefore, has not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of Radian Group Limited, within which this Association is included, can be obtained from Companies House.

### Turnover

Turnover represents rental income receivable, donations received, income from the sale of properties (other than sales under the 'Right to Buy' legislation and shared ownership properties) and other services at invoiced value, excluding VAT.

### Value Added Tax

The Association is VAT registered, but a large proportion of its income, namely rent, is exempt for VAT purposes and thus gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is shown in the income and expenditure account.

### Interest Payable

Interest payable is charged to the income and expenditure account in the year that it accrues.

### Fixed Assets – Housing Properties

Properties included in housing assets are stated at cost:-

- the costs of acquiring land and buildings;
- staff and staff-related expenditure and on-costs relating to the development of the housing properties.

All invoices and architects' certificates relating to capital expenditure incurred in the year are included in the accounts for the year at net value after retentions.

The cost attributed to a property has been reduced where it is considered that a permanent impairment in its value has been suffered.

The principles of FRS15 are followed and, where economic benefit is enhanced, costs are capitalised. Otherwise, all costs are written off in the year incurred.

## Notes to the Financial Statements – continued

Note 1 – Accounting Policies (continued)

### Social Housing Grant (SHG) and Other Public Subsidy

Social Housing Grant (SHG) is receivable from The Housing Corporation and is utilised to reduce the capital costs of housing properties, including land costs. SHG due from The Housing Corporation, or received in advance, is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with The Housing Corporation. 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 balance sheet in creditors.

Where developments or loans made have been financed wholly or partly by SHG and Other Public Subsidy, the cost of those developments has been reduced by the amount receivable. Whilst SHG has been treated as a grant, it is repayable under certain circumstances, primarily following the sale of a property, but the repayment is often restricted to the net proceeds of sale. Grants received for revenue expenditure are credited to the income and expenditure account.

### Depreciation

Freehold Housing Land and Buildings. The Association maintains its housing stock in accordance with a planned programme of works and in a good state of repair. Depreciation at a rate of 1% has been charged on the net investment in housing properties, less the cost and SHG attributable to land.

### Apportionment of Management Expenses

Direct employee, administration and operation costs have been apportioned to the income and expenditure account as operating costs, on the basis of costs of the staff directly engaged on the operations dealt with in these financial statements.

### Cyclical Repairs and Maintenance

Due to the number of properties held, and the establishment of regular programmes of repair and maintenance, the Association does not make provision for future works but charges actual costs incurred to the income and expenditure account.

### Capitalisation of Interest

No interest on the financing of developments is capitalised.

### Financing Costs

Finance costs comprising loan interest and discounts and premiums on loan issues are allocated to accounting periods and charged to the income and expenditure account, over the life of the related debt. The fees and other costs incurred in raising the finance are charged to the income and expenditure account as they are incurred.

### Purchase and Sale of Property

Purchases and sales of property are accounted for at the point at which the contract becomes unavoidable; this is usually exchange of contracts.

### Schemes Managed by Agents

The treatment of income and expenditure on properties managed by the Association, or for the Association, depends on whether the Association carries the financial risk. Where the Association carries the financial risk, for example, losses from voids and arrears, all the project's income and expenditure has been included in the income and expenditure account. Where the agency carries the financial risk, only the income and expenditure which relates solely to the Association has been included.

### Investments

Investments, other than housing properties, are stated at market value at the balance sheet date where this is readily identifiable, or, where it is not, the Board's best estimate of market value. Upward revaluations of investments are reported in the statement of total recognised surpluses and deficits, and credited to a separate investment account. Diminutions in value are recognised in the statement of total recognised surpluses and deficits until the investment revaluation reserve in respect of that asset no longer exists. Further diminutions in value or impairments of fixed asset investments are recognised in the income and expenditure account.

## Notes to the Financial Statements – continued

Note 2 - Particulars of turnover, cost of sales, operating costs and operating surplus

	Turnover	Cost of Sales	Operating Costs	2007/08 Operating Surplus/ (Deficit) £'000	Turnover	2006/07 Operating Surplus/ (Deficit) £'000
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social Housing Lettings</b>	<b>1,489</b>	<b>-</b>	<b>827</b>	<b>662</b>	<b>1,174</b>	<b>573</b>
<b>Social Housing Activities</b>						
Donations received	8,720	-	-	8,720	3,570	3,570
Disabled Adaptations	-	-	30	(30)	-	(53)
Other	-	-	-	-	-	-
Operating Surplus	10,209	-	857	9,352	4,744	4,090

Particulars of income and expenditure from social housing lettings

Income Lettings	£'000	2007/08 Total £'000	2006/07 Total £'000
Rent receivable net of identifiable service charges	1,481	1,481	1,174
Service Income	8	8	-
<b>Net Rental Income</b>	<b>1,489</b>	<b>1,489</b>	<b>1,174</b>
<b>Turnover from Social Housing Lettings</b>	<b>1,489</b>	<b>1,489</b>	<b>1,174</b>

Expenditure on Social Housing Lettings

Management	173	173	160
Routine maintenance	278	278	346
Major repairs	228	228	12
Rent losses from bad debts	31	31	83
Depreciation of properties	117	117	-
<b>Operating Costs on Social Housing Lettings</b>	<b>827</b>	<b>827</b>	<b>601</b>
<b>Operating Surplus on Social Housing Lettings</b>	<b>662</b>	<b>662</b>	<b>573</b>
<b>Void Losses</b>	<b>(6)</b>	<b>(6)</b>	<b>(10)</b>

All of the above operating surplus applies to General Needs Housing

## Notes to the Financial Statements - continued

Note 2 – continued

Accommodation managed by others

All the Association's homes are managed by other organisations

	2007/08 Number of Units	2006/07 Number of Units
The Swaythling Housing Society Limited	356	310
Two Saints Limited	12	12
The Society of St James	12	12
<b>Total</b>	<b>380</b>	<b>334</b>

Note 3 – Interest receivable and similar income

	2007/08 £'000	2006/07 £'000
Interest receivable from bank and building society deposits	453	145
<b>Total</b>	<b>453</b>	<b>145</b>

Note 4 – Interest payable and similar charges

	2007/08 £'000	2006/07 £'000
<b>On housing loans:</b>		
Repayment wholly or partly in more than five years	801	481
Impairment of investment	52	-
<b>Total</b>	<b>853</b>	<b>481</b>

Note 5 – Surplus on ordinary activities before taxation

	2007/08 £'000	2006/07 £'000
<b>Surplus on ordinary activities before taxation is stated after charging:</b>		
Depreciation of tangible fixed assets	117	83
Auditor's remuneration: In their capacity as auditors	1	1

Note 6 – Directors' Emoluments

No emoluments were paid or payable during the year.

## Notes to the Financial Statements – continued

### Note 7 – Tangible fixed assets

	Housing Properties  £'000	Housing Properties in the Course of Construction  £'000	Total  £'000
<b>Cost</b>			
At 1 April 2007	23,344	-	23,344
Completed properties acquired	10,763	-	10,763
At 31 March 2008	34,107	-	34,107
<b>Social Housing Grant</b>			
At 1 April 2007	5,614	-	5,614
Completed properties acquired	1,793	-	1,793
<b>Accumulated Depreciation</b>	<b>7,407</b>	-	<b>7,407</b>
At 1 April 2007	391	-	391
Charge for the year	117	-	117
At 31 March 2008	508	-	508
<b>Net book values at 31 March 2008</b>	<b>26,192</b>	-	<b>26,192</b>
<b>Net book values at 31 March 2007</b>	<b>17,339</b>	-	<b>17,339</b>

All the above Tangible Fixed Assets refers to General Needs Housing.

	2007/08 £'000	2006/07 £'000
Housing properties comprise		
Freeholds	26,192	17,339

All expenditure on works to existing properties has been charged to the income and expenditure account. (For details please refer to note 2 – Routine Maintenance).

Total accumulated amount of Social Housing Grant (SHG) received or receivable at balance sheet date is as stated above. There were no revenue grants received or receivable at balance sheet date.

## Notes to the Financial Statements – continued

### Note 8 – Debtors

	2007/08 £'000	2006/07 £'000
Rent arrears - Gross	72	60
Bad Debt Provision	(58)	(28)
Net	14	32
Sundry debtors	494	4
Non-liquid assets	455	452
	<b>963</b>	<b>488</b>

Non-liquid assets are assets held as loan security.

### Note 9 – Cash at bank and short term investments

	2007/08 £'000	2006/07 £'000
Cash at bank	11,741	3,775
Short term and other non listed investments	2,964	2,359
	<b>14,705</b>	<b>6,134</b>

### Note 10 – Investment in Subsidiary

The Association's subsidiary, Swaythling Assured Homes plc, did not trade during the year

	2007/08 £'000	2006/07 £'000
Investment in subsidiary	4,000	4,000
	<b>4,000</b>	<b>4,000</b>

## Notes to the Financial Statements – continued

Note 11 – Creditors: Amounts falling due within one year

	<b>2007/08</b> <b>£'000</b>	<b>2006/07</b> <b>£'000</b>
*Owed to subsidiary	4,000	4,000
Inter company	3,385	28
Other Creditors	131	104
	7,516	4,132

\*Whilst this liability to a subsidiary is repayable within one year, it is believed that this debt will not be repaid in the short term

Note 12 – **Creditors:** Amounts falling due after more than one year

	<b>2007/08</b> <b>£'000</b>	<b>2006/07</b> <b>£'000</b>
Housing Loans falling due after more than one year	15,647	10,084
<b>Balance Sheet</b>	<b>15,647</b>	<b>10,084</b>
Unamortised net premiums received on issue	(204)	(204)
Loan principal outstanding	15,443	9,880

Housing loans are secured by fixed charges on the Association's properties valued at £28.8m. The rates of interest ranged from 5.125% to 7.08%.

The loans are repayable as follows:

	<b>2007/08</b> <b>£'000</b>	<b>2006/07</b> <b>£'000</b>
Loans repayable by instalments in five years or more	4,846	4,880
Loans repayable otherwise than by instalment in five years or more	10,597	5,000
Total	15,443	9,880

## Notes to the Financial Statements – continued

### Note 13 – Share Capital

Each member of the Management Committee holds a £1 share in the Association as do the parent company and former parent company Oriel Housing Limited.

Shareholders: Parent Management Committee, and other members

	2007/08 £	2006/07 £
Shares of £1 each		
Issued and fully paid at 1 April 2007	6	6
Shares issued during the year	1	2
Shares cancelled during the year	-	(2)
Shares in issue at 31 March 2008	7	6

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

### Note 14 – Reserves

	<b>Total £'000</b>
Revenue Reserve	
As at 1 April 2007	13,745
Surplus for the year	8,952
<b>As at 31 March 2008</b>	<b>22,697</b>

The shareholders are not entitled to any distribution of surpluses or assets of the Association.

### Note 15 – Parent Association and Ultimate Controlling Party

Portal Housing Association Limited regards Radian Group Limited as its ultimate parent and ultimate controlling party. Radian Group Limited is a Registered Social Landlord. Consolidated accounts have been prepared separately for the Group as at 31 March 2008 and are available from Companies House.

### Note 16 – Related Party Transactions

The Board has one tenant member who holds a tenancy agreement on normal terms with an association within the Radian Group Limited and cannot use his position to his advantage.

Registered office

**Portal Housing Association Limited**

Collins House  
Bishopstoke Road  
Eastleigh  
Hampshire SO50 6AD

T. 023 8062 8000  
F. 023 8062 8390

Registered under the Industrial and Provident Societies Act 1965 No.28635R

Registered by The Housing Corporation No.LH4163

Member of the National Housing Federation

