

EMH Housing and Regeneration Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2018

EMH HOUSING AND REGENERATION LIMITED
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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EMH HOUSING AND REGENERATION LIMITED
ASSOCIATION INFORMATION

FOR THE YEAR ENDED 31 MARCH 2018

BOARD MEMBERS

Robert Hingston – Chair*

Colin Ball
Janet Beaumont
Tim Brown (stepped down Sept 2017)
Tracey Davenport (retired Sept 2017)
Reginald Francis (retired Sept 2017)
Christopher Hobson
Chan Kataria
Donald Sadler (appointed Dec 2017)

PRINCIPAL BANKER

Barclays Bank Plc

Leicester
Leicestershire
LE87 2BB

AUDITOR

KPMG LLP

One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley

Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

* Robert Hingston retired in June 2018 and was replaced by Christopher Hobson

emh homes is the trading name of EMH Housing and Regeneration Limited.

EMH Housing and Regeneration Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014 (Registered Number 32198R) and registered by the Homes and Communities Agency (Registered Number 4775).

EMH HOUSING AND REGENERATION LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

The Board of EMH Housing and Regeneration Limited are pleased to present its financial statements for the year ended 31 March 2018.

Background

The Association has been providing affordable housing since 1946 and is now one of the leading providers of affordable housing in the East Midlands. emh homes was the result of an amalgamation of four registered providers and now manages over 18,000 properties across 49 local authorities in the East Midlands.

A profit for purpose organisation with a clear mission and strong values, surpluses are re-invested into our communities, properties and services.

The Association is a subsidiary of emh group. The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

Corporate Mission and Aims

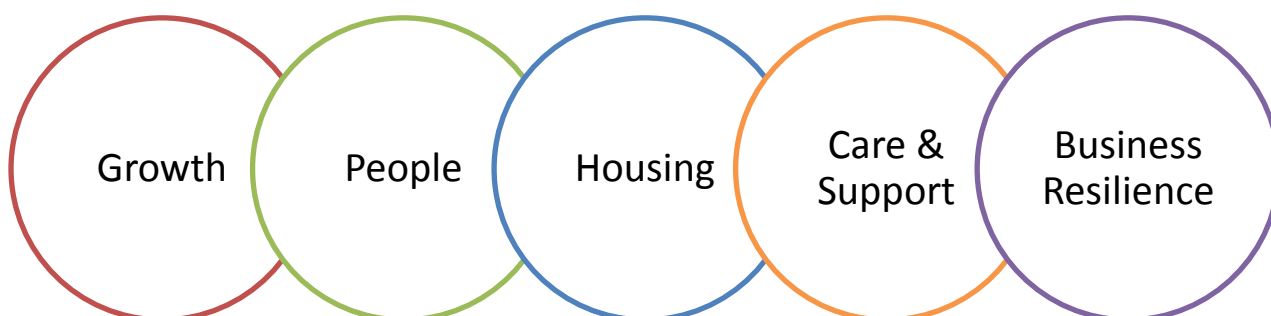
The Association strives to “**provide housing and care to improve opportunities for people**”. This is underpinned by our corporate values:-

- Integrity** We work to the highest ethical standards.
- Diversity** We respect other for who they are.
- Openness** We are honest and straight forward.
- Accountability** We are accountable to and influenced by our customers.
- Clarity** We are clear about what we are here to do and why
- Excellence** We strive to be the best in everything we do.

Our Board and Executive Team are committed to reaching our vision “**to be the best social housing and care business in the country, leading the market as service provider and employer**” by 2023. A range of metrics have been developed to measure our journey towards the vision.

Future Plans

Our latest Strategic Business Plan has been completely revamped and simplified. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all of our objectives and projects and link back to our corporate mission and vision.



EMH HOUSING AND REGENERATION LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

Future Plans (continued)

1. Growth and Business Development

To deliver ambitious plans to develop new homes to own and rent, meeting a range of housing needs

- We will actively seek out opportunities for expansion through acquisition and partnering, including merger opportunities that align with our values and requirement;
- We will develop 2,500 new homes through a range of products and methods including modular construction;
- We will work in collaboration with Homes England and other development partners to achieve increased housing provision;
- We will explore further opportunities to provide our services to others including development agency and sales services, home maintenance and gardening and landscaping services;
- We will develop a social enterprise strategy which will define our “offer” for complimentary but diversified services and products.

2. People and Organisational Development

To develop our people offer, ensuring there are opportunities for personal growth, talent management and succession in order to increase the impact of individuals and teams across the group

- We will implement an Organisation Development programme to develop a culture that celebrates diversity, empowers staff, embraces change and manages and values talent;
- We will review our rewards and recognition frameworks to ensure we attract and retain staff;
- We will refine and continue to roll out our Learning and Development Strategy;
- We will implement our approach to talent management and succession planning;
- We will expand our Academy offering a range of options for people wishing to pursue work based qualifications, traineeships and apprenticeships;
- We will actively promote the health and wellbeing of our colleagues;
- We will refresh the skills and diversity of the Board to align to the current operating environment.

3. Housing and Neighbourhoods

To invest in the housing and neighbourhood services where it is needed most, making services fit for the future, managing our existing homes and investing in and engaging with the diverse communities that live there, increasing our feedback options and putting customers right at the heart of what we do

- We will establish high performing and highly effective estate services and community development services;
- We will maximise our impact in alleviating homelessness through the implementation of our homelessness strategy including the roll out of our “Housing First” pilot in Leicester City;
- We will increase resident engagement and feedback opportunities;
- We will develop a strategy for the future of the older persons’ housing stock, neighbourhood and support services;
- We will ensure that the highest standards of safe working practices, ensuring our homes and communities are safe places to live and work;
- We will increase the use of customer information to target and improve services, thus achieving top quartile satisfaction;
- We will increase efficiency outputs by providing more digitally accessible customer services;
- We will continue to develop our In-house Maintenance Service to be an effective and productive business unit.

EMH HOUSING AND REGENERATION LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2018

Future Plans (continued)

4. Care and Support

To deliver a clear vision and strategy for our Care and Support arm that delivers “outstanding” services to the people that we support

- We will expand our care and support services including:
 - Appraising existing services to determine which we are best placed to support going forward;
 - Expanding the range and geography of the services we provide;
 - Working with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- We will deliver outstanding care and support services as judged by our regulator and customers;
- We will actively seek opportunities to diversify our income streams;
- We will create employment opportunities for people with disabilities.

5. Business Resilience

To remain a resilient and financially robust business by continuing to demonstrate value for money; efficiency and effectiveness; and, by providing the financial and other resources needed to deliver our services and continue to grow

- We will provide sufficient funding to meet growth objectives and provide liquidity; maintaining our financial strength with sufficient financial headroom;
- We will retain our A+ rating from Standard and Poor’s;
- We will introduce new cost targets for Value for Money ensuring the growth in unit costs are below the anticipated level of inflation;
- We will manage and maintain our housing assets to maximise their performance;
- We will review our entire approach to Risk Management and Assurance, including our audit processes, risk map and control systems;
- We will invest in digital solutions that enable us to effectively manage, shape and improve performance of key services;
- We will undertake a performance information review across the business, ensuring we have appropriate systems and tools to produce highly effective reporting and performance management information.

A copy of the full Business Plan with key measures of success can be found on our website www.emhgroup.org.uk.

EMH HOUSING AND REGENERATION LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

Board Membership, remuneration and attendance

Name	Remuneration	Board Meeting Attendance
Colin Ball	£3,137	4/4
Tim Brown ¹	£1,568	2/2
Janet Beaumont	Parent Nominee Paid by emh group	2/4
Tracey Davenport ²	£1,568	2/2
Reginald Francis ²	£3,137	2/2
Robert Hingston Chair	Parent Nominee Paid by emh group	4/4
Christopher Hobson	Parent Nominee Paid by emh group	3/4
Chan Kataria	Paid by emh group as an executive	4/4
Donald Sadler ³	£3,137	1/1

¹Stepped down September 2017 ² Retired September 2017 ³Appointed December 2017

Leadership and Governance

Strong leadership is pivotal to delivering high quality services. Our Board are carefully selected to bring a diverse range of skills and expertise in the areas that the Association operates and Board Members are subject to an individual annual appraisal. The Board meets four times a year and are committed to continued board development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

The Association has adopted and is compliant with the National Housing Federation "Excellence in Governance Code" to ensure the highest standards of governance and accountability whilst responding to change and risk. Robert Hingston, the Chair of emh homes board, also serves as a representative on the emh Group board.

Customer engagement also plays a vital role in shaping the future of the Association. We offer a number of ways for customers to be involved in helping us achieve our mission including the TPAS accredited Scrutiny Panel, special interest groups and local community based groups.

Operating Environment and Risk

The business is currently facing a number of challenges due to the operating environment and economic conditions including:-

- Impact of negotiations to withdraw from the EU;
- Outcome of the enquiry into the tragic fire at Grenfell Tower;
- The continued roll out of Universal Credit and other Welfare Reform changes;
- New Minister of State for Housing & Planning;
- New homelessness legislation;

EMH HOUSING AND REGENERATION LIMITED
REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

Operating Environment and Risk (continued)

During the year we were subject to an In-depth Assessment (IDA) by our Social Housing Regulator as part of their Co-regulatory Framework. This was a rigorous review focussing on how we comply with their Economic Standards which demonstrate that we are well governed and managed, financially viable, delivering value for money through our services and have a robust approach to risk management. We were delighted to retain the highest ratings for Governance and Financial Viability G1/V1.

Despite all of the challenges and uncertainty, we remain optimistic; having been in operation for over 70 years, we have always had to adapt and change to remain viable and relevant. We continue to set ourselves challenging targets, lobby Government on the big issues both nationally and locally and have ambitious plans to grow our business through expansion of our services and development of new homes. We have also carried out extensive stress testing of our Financial Plan including a scenario of our best estimate of the impact of BREXIT and have a recovery plan in place that sets out the actions that we would take to safeguard the financial viability of the Association.

The Group Audit Committee have responsibility for monitoring key risks and uncertainties faced by the Association and ensuring that controls are in place to manage and mitigate risks. Emerging risks are also captured and closely monitored.

Achievements in the Year

Financial Performance

We continue to challenge ourselves to be financially efficient and aim to reduce our core operating costs through cost saving and growth. As a profit for purpose organisation, our priority is to maximise the margin on our core operations in order to generate cash for new developments, new projects and reinvestment in our services and assets.

The table below gives an overview of the financial performance of the Association for the year. The ratios are for performance management only and do not reflect our loan covenants.

Year ended	31 March 2018 £millions	31 March 2017 £millions
INCOME AND EXPENDITURE		
Operating surplus	35.1	33.9
Operating margin (exc surplus on sales)	37.3%	37.5%
Operating margin – social housing lettings	37.4%	37.8%
STATEMENT OF FINANCIAL POSITION		
Total tangible fixed assets	713.8	690.1
Net assets	106.2	90.0
Properties in management at year end	18,671	18,384

EMH HOUSING AND REGENERATION LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

Financial Performance (continued)

Our operating surplus for the year was £35.1m, £1.2m higher than in 2017. Turnover from social housing lettings increased by £1.2m predominantly through growth in unit numbers and inflationary increases, whilst routine running costs increased by £1.1m. Half of this is non-cash items such as depreciation of our properties as our portfolio increases. £1.5m savings were made on management costs, benefiting from the year on year savings achieved through our Efficiency Gains Strategy.

Property sales through first tranche shared ownership, stair casing and Right to Buys added £4.5m to operating surplus. There continues to be high demand for low cost home ownership products and the income generated is used to subsidise our development programme.

Total tangible fixed assets increased by £23.7m in the year predominantly due to our investment in new properties and capital maintenance of our existing properties including replacement central heating systems, roofs, windows & doors and electrical rewire programmes. We strengthened our Statement of Financial Position during the year with net assets at the year end 18% higher than prior year.

Business Plan Objectives

During the year significant progress was made against the targets in our last Business Plan. Highlights include:-

- ✓ We developed 340 new homes, achieving annual growth of 2%;
- ✓ We retained the highest rating for Governance and Financial Viability following an In-depth Assessment by the Regulator of Social Housing during the year;
- ✓ We implemented a new operating service model and ICT system to deliver our maintenance service in a more streamlined and cost-effective way and to improve productivity of our In-house Maintenance Service and enhance the customer experience;
- ✓ We commenced the implementation of a new ICT system to manage and monitor service charges; giving staff greater visibility on charges and improved transparency to our customers;
- ✓ Our Income Team achieved current tenant rent arrears of 2.9% at the end of the year and were shortlisted for Outstanding Approach to Income Management at the UK Housing Awards;
- ✓ We remain financially robust; achieving our planned phase 2 efficiency gains in the year including restructuring of our maintenance team and the closure of redundant offices;
- ✓ Our ground-breaking project to install Air Source Heat Pumps into over 400 of our properties received recognition at the East Midlands Energy Efficiency Awards winning first prize in the Large Scale Project category;
- ✓ We continue to “grow our own” using our emh Academy and welcomed 9 new apprentices into our maintenance team during the year who are all training to become multi-skilled operatives;

Value for Money

Delivering Value for Money (VfM) is integral to the way the Association operates and as such is overseen directly by the Group Board. A key part of delivering our services as efficiently as possible is understanding the costs and main drivers, setting targets for key financial measures and understanding how our costs compare to our peers. We adopted the new “Sector Scorecard” approach during the pilot last year and have since started to embed this within our financial management and budgeting process.

EMH HOUSING AND REGENERATION LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

Value for Money (continued)

The Sector Scorecard comprises a number of indicators; mostly taken from our financial accounts across 5 categories (Business health, Development, Outcomes delivered, Effective asset management and Operating efficiencies) and allows us to track our progress with delivering cashable savings and demonstrate how we are controlling costs whilst still delivering our core services and developing new homes.

We welcome the regulators new Value for Money Standard and associated Code of Practice which sets out very clear expectations for Registered Providers in how they demonstrate that they are delivering Value for Money through their services and over the coming months we will be reviewing and updating our Value for Money Strategy to align it to the Standard and the Sector Scorecard.

A copy of the full Value for Money Self-Assessment Statement is available on our website www.emhgoup.org.uk/for-investors-and-partners/value-for-money. This includes a comparison of the Sector Scorecard compared to our selected peer group.

2017-18 was the second year of the 4 year rent reduction imposed by the Government in the 2015 Budget. Our Group Board responded quickly to this announcement, developing an Efficiency Gains Strategy that would ensure we remain financially viable whilst protecting our front-line services and development programme.

A front-loaded 4 year savings programme to deliver £4m of cashable savings was put in place. At the half way point we have already achieved 90% of the total savings required and are on track to out perform the original target. We predict total 4 year savings of £4.7m with the restructure of our maintenance team set to deliver the required savings in 2018-19 leaving just the productivity gains within our In-House Maintenance Service to be delivered in the final year.

In July 2018, it was announced that emh Group have been successful in becoming a Strategic Partner with Homes England; securing £30.5m grant funding to develop over 700 additional new homes in the East Midlands over the next 4 years. This is a prestigious status, with only 8 Strategic Partners across the country and gives us greater certainty over the funding of our development programme and more flexibility over the types of new homes required to meet demand in our region. We are now in the process of updating our Financial Plan and Business Plan to reflect our new growth targets and are already identifying new sites with development potential.

Value for Money is central to the delivery of the strategic objectives of the Association and in the current operating environment there is increasing pressure to reduce costs and provide cost effective services. Delivery of the efficiency savings plan is a key priority for the Association and we continue to challenge processes and working practices in order that we can continue to deliver high quality services with fewer resources.

Going Concern

The operating environment continues to be volatile and the housing sector is more complex than ever. BREXIT continues to be a key issue, with social landlords being particularly concerned about the impact on development, financing and supply chain.

The Association has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Board believes that the Association is well placed to manage their business risks successfully. The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing these financial statements.

EMH HOUSING AND REGENERATION LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

Internal Controls

The Group Board is the ultimate governing body for the emh group and is committed to the highest standards of business ethics and conduct across all the operating businesses. The Group has a robust culture of internal controls. The Group's risk management and control culture is further supported by the adoption of the National Housing Federation's Code of Governance.

The Group Board has overall responsibility for ensuring that a sound and comprehensive system of internal controls exists across the group and for reviewing its effectiveness. Control systems have been designed to proactively manage, rather than eliminate the risks of failure to achieve business objectives and provide reasonable, but not absolute assurance against misstatement or loss.

The Group Chief Executive and Directors have reviewed the effectiveness of the internal control and assurance arrangements and have confirmed to the Board that they all relevant regulations, policies and procedures have been complied with during the year. The Group Audit Committee has also expressed its satisfaction with these arrangements in its review of the effectiveness of internal control systems.

Statement of Board's Responsibilities in Respect of the Board's Report and the Financial Statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

EMH HOUSING AND REGENERATION LIMITED
REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2018

Statement of Compliance

The Association is committed to ensuring that we comply with our legal and regulatory responsibilities, including the Modern Slavery Act 2015 to ensure that slavery and human trafficking does not exist in any part of our business or supply chain. The Association's statement on modern slavery 2017 will be made available on our group website www.emhgroup.org.uk.

The Association adheres to the regulators Governance and Financial Viability Standard and its associated code of practice that includes adhering to all relevant law and having a thorough, accurate and up to date record of our assets and liabilities. The Association retains the highest ratings for Governance and Financial Viability from our regulator.

At 31st March 2018 the Association was compliant with the Data Protection Act 1998. On 25th May 2018, the EU General Data Protection Regulations (GDPR) came into effect to strengthen and standardise data protection laws in the UK. We have updated our Data Protection Policy to take account of the new requirements and have a dedicated Data Protection Officer working through an action plan to ensure that this is embedded across all of our business areas over the coming months.

The Association is fully compliant with the National Housing Federation's Code of Governance 2015.

Disclosure of information to auditor

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

CHRISTOPHER HOBSON
Chairman – EMH Homes
10 September 2018

EMH HOUSING AND REGENERATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO EMH HOUSING AND REGENERATION LIMITED

FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of EMH Housing and Regeneration Limited ("the association") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cashflow Statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the association as at 31 March 2018 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The association's Board is responsible for the other information, which comprises the Board's Annual Report, the Statement on Internal Control and Value for Money Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

EMH HOUSING AND REGENERATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO EMH HOUSING AND REGENERATION LIMITED

FOR THE YEAR ENDED 31 MARCH 2018

Board's responsibilities

As more fully explained in their statement set out on page 10, the Association's Board is responsible for the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Harry Mears / Sarah Brown

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill, Snow Hill Queensway

Birmingham B4 6GH

EMH HOUSING AND REGENERATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £'000	2017 £'000
Turnover	3	84,929	84,674
Operating costs	3	(53,232)	(52,959)
Gain on disposal of tangible fixed assets	8	3,392	2,219
Operating surplus	3	35,089	33,934
Interest receivable and similar income	9	120	347
Interest payable and similar charges	10	(20,114)	(21,108)
Finance income and costs	11	(170)	(198)
Gift aid received		225	979
Surplus before tax		15,150	13,954
Tax on surplus on ordinary activities	12	(10)	-
Surplus for the year	5	15,140	13,954
Other comprehensive income			
Remeasurement of Local Government Pension Scheme	25	1,120	(484)
Total comprehensive income for the year		16,260	13,470

Turnover is derived from continuing activities.

EMH HOUSING AND REGENERATION LIMITED**STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2018

	Note	2018 £'000	2017 £'000
Tangible fixed assets			
Housing properties	15	699,500	675,005
Investment properties		1,175	1,175
Other tangible fixed assets	15	5,441	5,712
Investments	13	1,434	1,450
HomeBuy loan receivable		6,264	6,711
Net book value tangible fixed assets		713,814	690,053
Current assets			
Properties for sale and work in progress	14	1,822	2,149
Trade and other debtors	18	8,390	5,032
Investments	17	11,816	26,873
Cash and cash equivalents		5,679	8,231
Total current assets		27,707	42,285
Creditors: amounts falling due within one year	19	(18,602)	(27,051)
Net current assets		9,105	15,234
Creditors: amounts falling due after one year	20	(610,877)	(608,789)
Provision for liabilities			
Other provisions	24	(76)	(52)
Pension liability	25	(5,721)	(6,461)
Net assets		106,245	89,985
Capital and reserves			
Called up share capital	26	-	-
Sinking fund		1,328	1,328
Revenue reserves		104,917	88,657
Total funds		106,245	89,985

These financial statements were approved by the board of directors on 10 September 2018 and were signed on its behalf by:

Christopher Hobson Chairman

Colin Ball Board Member

Joanne Tilley Secretary

EMH HOUSING AND REGENERATION LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £'000	Revenue reserve £'000	Sinking fund £'000	Total equity £'000
Balance at 1 April 2017	-	88,657	1,328	89,985
Total comprehensive income for the period				
Surplus for the year	-	15,140	-	15,140
Actuarial gains	-	1,120	-	1,120
Balance at 31 March 2018	-	104,917	1,328	106,245

EMH HOUSING AND REGENERATION LIMITED
CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £'000	2017 £'000
Cashflows from operating activities			
Operating surplus for the year	3	35,089	33,934
<i>Adjustments for non cash items:</i>			
Depreciation of tangible fixed assets	15	13,220	12,512
Impairment of tangible fixed assets	15	54	198
Loan amortisation charges		200	348
Deferred government grants	23	(2,187)	(2,213)
Pensions costs less contributions payable	25	(455)	326
Corporation Tax	12	(10)	-
Net book value sales of tangible fixed assets	8	4,569	3,996
Decrease in stock		327	309
(Increase)/Decrease in trade & other debtors		(3,359)	197
Decrease in trade and other creditors		2,182	1,852
Decrease/(Increase) in provisions and employee benefits		25	(19)
Net cash from operating activities		49,655	51,440
Cashflows from investing activities			
Interest received		122	327
Gift aid received		225	979
Acquisition of tangible fixed assets		(41,044)	(47,534)
Proceeds from receipt of government grants		9,689	5,594
Capitalised development expenditure		(1,071)	(1,092)
Disposal/(Purchase) of investment securities		16	(93)
Disposal of short term investments		15,056	14,814
Net cash from investing activities		(17,007)	(27,005)
Cashflow from financing activities			
Proceeds from new loan		(280)	(420)
Interest paid		(20,733)	(23,972)
Repayment of borrowings		(14,187)	(4,489)
Net cash from financing activities		(35,200)	(28,881)
Net change in cash and cash equivalents		(2,552)	(4,446)
Cash and cash equivalents at start of period		8,231	12,677
Cash and cash equivalents at end of period		5,679	8,231

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 LEGAL STATUS

emh homes is the trading name of EMH Housing and Regeneration Limited. The Association is incorporated under the Co-operative and Community Benefit Society Act 2014. The company registration number is 32198R. It is registered with the Homes & Communities Agency (registration number 4775). It's principal place of business is Jubilee House, Stenson Road, Whitwick Business Park, Coalville and it is a Public Benefit Entity.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of the association are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers Update 2014 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, East Midlands Housing Group Limited includes the company in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Reconciliation of the number of shares outstanding from the beginning to the end of the period;
Key Management Personnel compensation;
Strategic Report; and

As the consolidated financial statements of East Midlands Housing Group include the equivalent disclosures, the Association has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instruments, in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on historical cost basis.

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Going concern

The Association's business activities, together with the factors likely to affect its future development and position, are set out in the Review of the Year section of the Annual Report. The Association is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The Association and Group have sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Board believes that the Association and Group are well placed to manage their business risks successfully. The Board, has a reasonable expectation that the Association and Group have adequate resources to continue in operational existence for the foreseeable future. The Board therefore continues to adopt the going concern basis in preparing these financial statements.

Classification of financial instruments by the Association

In accordance with FRS102.22, financial instruments issued by the Association are treated as equity only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Association to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Association; and

b) where the instrument will or may be settled in the Association's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Association's own equity instruments or is a derivative that will be settled by the Association's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Basic financial instruments

Tenant arrears, trade and other debtors

Tenant's arrears, trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised costs using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Housing properties

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	80 – 125
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above or the length of the lease, whichever is shorter.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the Association expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-to-day repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Interest capitalised

Interest on borrowings is capitalised to housing properties during the course of construction up to the date of completion of each scheme. The interest capitalised is either on borrowing specifically taken to finance a scheme or on net borrowings to the extent that they are deemed to be financing a scheme. This treatment applies irrespective of the original purpose for which the loan was raised.

Other tangible fixed assets

Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Computer equipment	25%
Improvements to occupied premises	10%
Office premises	2%

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Social housing grant

Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the statement of comprehensive income as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost. On disposal of properties, all associated social housing grant is transferred to either the Recycled Capital Grant Fund (RCGF) or the Disposal Proceeds Fund (DPF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

HomeBuy

Under the HomeBuy scheme, the Association receives HomeBuy grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Association meet the definition of concessionary loans and are shown as fixed assets investments on the statement of financial position. The HomeBuy grant provided by the government to fund all or part of a HomeBuy loan has been classified as deferred income under FRS 102 as a creditor due in more than one year.

In the event that the property is sold, the Association recovers the equivalent loaned percentage value of the property at the time of the sale. The grant is reclassified to RCGF when the loans are redeemed up to the amount of the original grant and to the extent the proceeds permit. The Association is able to retain any surplus proceeds less sale costs attributable to the equivalent loaned percentage share of the value of the property. If there is a fall in value of the property the shortfall in proceeds is offset against the grant.

Properties held for sale and work in progress

Completed properties and properties under construction for open market sales are recognised at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Interest incurred is also capitalised during the course of obtaining planning and throughout the work in progress up to the point of practical completion of the development scheme. Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Association would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment excluding stocks and deferred tax assets (continued)

Fixed Assets

The Association's internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognized as expenditure in income and expenditure.

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Association's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Association determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Association's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Association recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Association participates in 3 defined benefit plans as set out below:-

-The Pensions Trust Social Housing Pension Scheme

-Leicestershire County Council Pension Fund

-Derbyshire County Council Pension Scheme

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the assets of the Company. The Company is unable to obtain sufficient information to use defined benefit accounting for this multi-employer plan, and accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. To the extent that payment plans relate to funding a deficit, the contributions are recognised as a liability payable arising from the agreement with the multi-employer plan and results in a charge to the profit and loss account. Where these payments are not expected to be settled within 12 months the liability is measured at the present value of contributions payable.

Leicestershire County Council Pension Fund

The pension schemes assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating costs, finance items and other comprehensive income.

Derbyshire County Council Pension Scheme

The pension schemes assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating costs, finance items and other comprehensive income.

Termination benefits

Termination benefits are recognised when the Association is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

2 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related different, using tax rates enacted or substantively enacted at the balance sheet date.

Turnover

Turnover represents rental and service charge income receivable (net of void losses), fees receivable, proceeds from first tranche sales of low-cost home ownership and from properties developed for open market sales, and amortisation of Social Housing Grant (SHG) under the accrual model. Rental income is recognised on the execution of tenancy agreements. Proceeds on sale are recognised on practical completions. Other income is recognised as receivable on the delivery of the services provided.

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Expenses

Operating Costs

Operating costs represent the costs and overheads associated with delivering the services rendered.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction or production of Housing Properties that take a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit as they accrue.

Key Estimates and Judgements

The key estimates and judgments used in preparing these financial statements are; the estimated value of property, the recoverability of rent, impairment of property values, value of schemes in development, pension liability and the categorisation of assets and investment property.

EMH HOUSING AND REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

	Turnover	Operating costs / Cost of Sales 2018 £'000	Operating surplus	Turnover	Operating costs / Cost of Sales 2017 £'000	Operating surplus
3 SOCIAL HOUSING						
Social housing lettings						
General needs	55,640	(35,056)	20,584	54,604	(34,000)	20,604
Supported housing and housing for older people	20,558	(13,442)	7,116	20,605	(13,398)	7,207
Low cost home ownership	4,320	(1,946)	2,374	4,113	(1,979)	2,134
	80,518	(50,444)	30,074	79,322	(49,377)	29,945
Other social housing activities						
Support activities	240	(543)	(303)	276	(728)	(452)
Sales of current asset properties	3,407	(2,245)	1,162	3,857	(2,854)	1,003
Other	764	-	764	1,219	-	1,219
	4,411	(2,788)	1,623	5,352	(3,582)	1,770
Total social housing	84,929	(53,232)	31,697	84,674	(52,959)	31,715
Gain on disposal of tangible fixed assets			3,392			2,219
Operating surplus			35,089			33,934

EMH HOUSING AND REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

	General Needs	Supported housing and housing for older people £'000	Low cost home ownership	2018 Total £'000	2017 Total £'000
3 SOCIAL HOUSING					
Rent receivable net of identifiable service charges	51,792	16,040	3,526	71,358	70,335
Service charges receivable	2,206	4,140	592	6,938	6,737
Net rents receivable	53,998	20,180	4,118	78,296	77,072
Amortised government grant	1,642	343	202	2,187	2,213
Other	-	35	-	35	37
Total income from lettings	55,640	20,558	4,320	80,518	79,322
Expenditure on lettings activities:					
Management	11,604	3,620	746	15,970	17,469
Services	2,688	3,579	456	6,723	6,112
Routine maintenance	8,602	3,027	132	11,761	10,379
Planned maintenance	2,084	609	16	2,709	3,111
Major repairs expenditure	62	15	-	77	152
Bad debts	548	80	26	654	141
Depreciation of housing properties	9,441	2,458	570	12,469	11,786
Impairment of housing properties	-	54	-	54	198
Other costs	27	-	-	27	29
Total Operating Costs	35,056	13,442	1,946	50,444	49,377
Remeasurement of Social Housing Pension Scheme	-	-	-	-	-
Total expenditure on lettings	35,056	13,442	1,946	50,444	49,377
Operating surplus on lettings	20,584	7,116	2,374	30,074	29,945
Void losses	490	365	23	878	1,011

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	2018 Number	2017 Number
4 HOUSING STOCK		
Social housing accommodation		
General needs rented	10,223	10,501
Affordable rented	1,126	692
Supported housing & housing for older people	4,087	4,077
Low cost home ownership	1,497	1,472
Managed on behalf of other landlords	14	19
Total social housing managed	16,947	16,761
Non-social housing managed		
Leaseholders	181	180
Freehold	574	474
Commercial	30	30
Registered care bed spaces	8	8
Total non-social housing managed	793	692
Total housing stock	17,740	17,453
Garages and other non-habitable units	931	931
Total units managed	18,671	18,384
Housing units in development pipeline	369	245

At 31 March 2018 the Association owned 598 units (2017: 631) which are managed by agents.

	2018 £'000	2017 £'000
5 EXPENSES AND AUDITORS' REMUNERATION		
<u>Included in profit are the following:</u>		
Depreciation of housing properties	12,469	11,787
Depreciation of other fixed assets	751	725
Surplus of sale of fixed assets	3,392	2,219
Operating lease payments		
Motor vehicles	643	410
Office equipment	-	7
Land and buildings	325	477
Auditor's remuneration:		
Audit of these financial statements	22	25
Other services	10	10

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	Number	Number
6 STAFF NUMBERS AND COSTS		
The average number of persons employed by the Association (including Directors) during the year, analysed by category, was as follows:		
Office staff	154	173
Wardens and caretakers	22	23
Hostel staff	5	9
Operatives	128	121
	309	326
	2018	2017
	£'000	£'000
Staff costs for the above persons:		
Wages and salaries	8,160	8,724
Social security costs	839	925
Pension costs	994	919
Termination benefits	88	614
	10,081	11,182

7 BOARD MEMBERS AND EXECUTIVE DIRECTORS

Remuneration of £10k and expenses of £Nil were paid by the Association to the Board of Directors during the year (2017: Remuneration of £18k and expenses of £2k). The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

Salary bandings for all employees earning over £60,000 (including salary, pension contribution, benefits in kind and termination payments):

	2018	2017
	Number	Number
Bands		
£60,001 to £70,000	4	4
£70,001 to £80,000	-	2
£80,001 to £90,000	1	3
£90,001 to £100,000	1	-

EMH HOUSING AND REGENERATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
8 SURPLUS ON DISPOSAL OF FIXED ASSETS		
Disposal proceeds	8,511	5,784
Grant abated	265	661
Cost of disposals	(5,384)	(4,226)
	3,392	2,219

9 INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable from unlisted investments	120	347
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10 INTEREST PAYABLE AND SIMILAR CHARGES

On bank loans, overdrafts and other loans	20,843	21,979
On pension scheme liabilities	-	193
Less capitalised interest	(729)	(1,064)
	20,114	21,108

The interest payable above includes a credit of £33k (2017: £497k charge) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

11 FINANCING INCOME AND COSTS

Expected return on pension scheme assets	751	1,010
Interest on pension scheme liabilities	(921)	(1,208)
Net financing costs	(170)	(198)

12 TAXATION

Total tax expense recognised in the statement of comprehensive income and equity.		
Adjustments in respect of prior period	10	-
Total current tax	10	-
Total tax recognised in profit and loss account	10	-

Reconciliation of effective rate

Surplus for the year	15,150	13,954
Total tax expense	10	-
Tax using the UK corporation tax rate of 20% (2017 20%)	3,030	2,791
Charitable exemption	(3,030)	(2,791)
Total tax expense included in the surplus	-	-

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
13 FIXED ASSET INVESTMENTS		
At 1 April	1,450	1,357
Transfer in year	(16)	93
At 31 March	1,434	1,450

The investment is a condition of a loan with THFC where not less than 12 months interest is held in an Interest Service Reserve Fund. The amount is invested by THFC in a UK Treasury 4.75% Gilt due in 2038 with a nominal value of £933k.

14 PROPERTIES FOR SALE AND WORK IN PROGRESS

Schemes developed for shared ownership disposal and outright sale	1,822	2,149
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EMH HOUSING AND REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15 TANGIBLE FIXED ASSETS

	-----Housing properties-----				-----Other tangible fixed assets-----					Total fixed assets
	Under construction	Social housing letting	Low cost home ownership	Non-social housing	Total housing properties	Office equipment	Leasehold offices	Freehold offices	Total other fixed assets	
Cost	£'000's									
1 April 2017	22,833	669,538	76,897	2,163	771,431	7,586	478	4,011	12,075	783,506
Additions	35,559	-	-	-	35,559	432	-	156	588	36,147
Replacement components	-	8,082	-	-	8,082	-	-	-	-	8,082
Schemes completed in the year	(44,074)	37,472	4,440	-	(2,162)	-	-	-	-	(2,162)
Disposals	-	(4,739)	(1,626)	-	(6,365)	(1,070)	(16)	(116)	(1,202)	(7,567)
31 March 2018	14,318	710,353	79,711	2,163	806,545	6,948	462	4,051	11,461	818,006
Accumulated depreciation										
1 April 2017	-	87,680	5,582	399	93,661	4,217	219	1,927	6,363	100,024
Provision in the year	-	11,905	547	17	12,469	597	46	108	751	13,220
Eliminated on disposal	-	(1,779)	(125)	-	(1,904)	(1,026)	(10)	(58)	(1,094)	(2,998)
31 March 2018	-	97,806	6,004	416	104,226	3,788	255	1,977	6,020	110,246
Impairment										
1 April 2017	-	1,335	1,430	-	2,765	-	-	-	-	2,765
Charge for year	-	54	-	-	54	-	-	-	-	54
31 March 2018	-	1,389	1,430	-	2,819	-	-	-	-	2,819
Net book value										
31 March 2018	14,318	611,158	72,277	1,747	699,500	3,160	207	2,074	5,441	704,941
31 March 2017	22,833	580,523	69,885	1,764	675,005	3,369	259	2,084	5,712	680,717

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £'000	2017 £'000
15 TANGIBLE FIXED ASSETS (CONTINUED)		
The net book value of housing properties comprises		
Freehold	678,240	653,653
Long leasehold	21,260	21,352
	699,500	675,005
Additions to housing properties includes:		
Capitalised interest (at the Group average borrowing rate)	729 4.9%	1,064 5.2%
Direct administration costs	1,071	1,092

There were no other fixed assets held under finance lease at the year end (2017: £nil).

16 IMPAIRMENT OF HOUSING ASSETS

During the year emh homes carried out a desktop review of its property portfolio as part of its Asset Management Strategy. This identified a number of properties that cost the association more to hold than the income they are generating using a net present value calculation. As a result a number of schemes have been identified which the Board have approved can be disposed of. This is a trigger for impairment

emh homes estimated the recoverable amount of these housing properties as follows:

- a) Determined the level at which the recoverable amount is to be assessed i.e. the cash generating unit (CGU) level. The CGU was determined to be an individual scheme;
- b) Estimated the recoverable amount of the CGU;
- c) Calculated the carrying amount of the CGU and;
- d) Compared the carrying amount to the recoverable amounts to determine if an impairment loss had occurred.

Based on this assessment, the Association calculated the recoverable amount of each social housing property scheme, using estimated market values. Comparing this to the carrying amount of each scheme, the Association made an impairment charge against its social housing properties.

During the year, as a result of the asset management strategy, social housing properties with a net book value of £369k were impaired by £54k. This is separately disclosed in note 3 - Social Housing.

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£'000	£'000
17 CURRENT ASSET INVESTMENTS		
Bank deposits	11,816	26,873

18 TRADE AND OTHER DEBTORS		
Current tenant arrears	2,611	2,612
Less provision for bad and doubtful debts	(1,507)	(1,372)
Former tenant arrears	1,465	1,571
Less provision for bad and doubtful debts	(1,465)	(1,571)
Trade debtors	402	376
Less provision for trade debtors	(113)	(155)
Prepayments and accrued income	2,360	1,845
Other debtors	69	23
Amounts owed by group undertakings	4,568	1,703
Total debtors	8,390	5,032
Due within one year	8,390	5,209

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Loans and overdrafts (see note 21)	3,085	13,304
Trade creditors	3,443	3,992
Rent received in advance	2,591	2,654
Accruals and deferred income	5,066	4,204
Taxation and social security	207	362
Other creditors	39	70
Disposal proceeds fund (see note 22)	-	396
Pension deficit contributions	514	495
Amounts due to group undertakings	3,657	1,574
	18,602	27,051

	2018	2017
	£'000	£'000
20 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Loans and overdrafts (see note 21)	382,283	386,364
Deferred government grants (see note 23)	215,974	210,966
Homebuy grant payable	6,265	6,711
Recycled capital grant fund (see note 22)	3,527	1,406
Pension deficit contributions	2,828	3,342
	610,877	608,789

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

21 LOANS

Bank loans	157,483	164,432
The Housing Finance Corporation	27,204	28,438
Building Societies	-	6,000
Bond finance from emh treasury plc	200,681	200,798
	385,368	399,668

The Building Society and Bank loans are secured by fixed charges on individual properties. The Housing Finance Corporation loans are secured by floating charges over the assets of the Association and by fixed charges on individual properties.

Loans are repayable at varying rates of interest in instalments due as follows:

In one year or less	3,085	13,304
Between one and two years	3,356	2,947
Between two and five years	30,777	14,287
In more than five years	348,150	369,130
	385,368	399,668

The loan valuations above include an increase of £1,149k (2017: £1,182k) in respect of FRS102 Basic Financial Instruments amortised cost valuation method.

22 RECYCLED CAPITAL GRANT AND DISPOSAL PROCEED FUNDS

	Recycled capital grant fund £'000	Disposal proceeds fund £'000	Total £'000
At 1 April 2017	1,406	396	1,802
Utilised during the year	(381)	(396)	(777)
Interest credited to the fund	9	-	9
Transferred to fund during the year	2,493	-	2,493
At 31 March 2018	3,527	-	3,527

23 DEFERRED GOVERNMENT GRANTS

	Social housing grant £'000	Other government grant £'000	Total £'000
At 1 April 2017	198,749	12,217	210,966
Received in the year	7,406	1,706	9,112
Released to income in the year	(2,074)	(113)	(2,187)
Disposed in the year	(1,871)	(46)	(1,917)
At 31 March 2018	202,210	13,764	215,974

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

24 OTHER PROVISIONS

	Leave Pay £'000	Total £'000
At 1 April 2017	52	52
Provisions made during the year	24	24
At 31 March 2018	76	76

25 EMPLOYEE BENEFITS

The company operates four defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2018.

	Leicestershire County Council	Derbyshire County Council	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£'000			
Net (asset)/liability at 1 April 2017	(43)	6,504	3,828	9
Actuarial loss/(gain) in the period charged to the profit & loss account	113	267	48	-
Actuarial loss/(gain) in the period charged to other comprehensive income	(205)	(915)	(48)	-
Deficit contribution paid			(494)	(1)
Net (asset)/liability at 31 March 2018	(135)	5,856	3,334	8

The Pensions Trust - Social Housing Pension Scheme and Growth Plan

The company participates 2 multi-employer schemes which provide benefits to some 1300 non-associated employers; the Social Housing Pension Scheme and the Growth Plan. The schemes are defined benefit schemes in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for these schemes as a defined benefit scheme. Therefore it accounts for the schemes as defined contribution schemes.

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

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

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

25 EMPLOYEE BENEFITS (CONTINUED)

The Pensions Trust - Social Housing Pension Scheme and Growth Plan (continued)

A full actuarial valuation for the schemes were carried out with an effective date of 30 September 2014. These actuarial valuations were certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m for the Social Housing Pension Scheme and assets of £793m, liabilities of £970m and a deficit of £177m for the Growth Plan. To eliminate the funding shortfall, the trustees and the participating employers have agreed additional contributions will be paid, in combination from all employers, to the scheme as follows:

Social Housing Pension Scheme

Deficit contributions

<i>Tier 1</i>	£40.6m per annum
From 1 April 2016 to 30 September 2020	(payable monthly and increasing by 4.7% each year on 1 April)
<i>Tier 2</i>	£28.6m per annum
From 1 April 2016 to 30 September 2023	(payable monthly and increasing by 4.7% each year on 1 April)
<i>Tier 3</i>	£32.7m per annum
From 1 April 2016 to 30 September 2026	(payable monthly and increasing by 3.0% each year on 1 April)
<i>Tier 4</i>	£31.7m per annum
From 1 April 2016 to 30 September 2026	(payable monthly and increasing by 3.0% each year on 1 April)

Growth Plan

Deficit contributions

From 1 April 2016 to 30 September 2025	£12.9m per annum (payable monthly and increasing by 3.0% each year on 1 April)
From 1 April 2016 to 30 September 2028	£54.6k per annum (payable monthly and increasing by 3.0% each year on 1 April)

Note that the schemes' previous valuations were carried out with an effective date of 30 September 2011: these valuations were certified in 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m for the Social Housing Pension Scheme and assets of £780m, liabilities of £928m and a deficit of £148m for the Growth Plan. To eliminate this funding shortfall, payments consisted of Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

EMH HOUSING AND REGENERATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2018

25 EMPLOYEE BENEFITS (CONTINUED)**The Pensions Trust - Social Housing Pension Scheme and Growth Plan (continued)**

	Social Housing Pension Scheme		Growth Plan	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
<u>Present Value of provision</u>				
Present value of provision at period end	3,334	3,828	8	9
<u>Reconciliation of opening and closing provisions</u>				
Provision at start of period	3,828	4,113	9	10
Unwinding of discount factor (interest expense)	48	79	-	-
Deficit contribution paid	(494)	(476)	(1)	(1)
Remeasurement - impact of any change in assumptions	(48)	112	-	-
Provision at the end of period	3,334	3,828	8	9
<u>Profit and loss impact</u>				
Interest expense	48	79	-	-
Remeasurement - impact of any change in assumptions	(48)	112	-	-
<u>Assumptions</u>				
Rate of discount per annum	1.72%	1.33%	1.71%	1.32%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

Local government pension schemes

The Association also participates in two Local Government Pension Scheme; administered by Leicestershire County Council and Derbyshire County Council. The Local Government Pension Schemes are defined benefit scheme and are contracted out of the state scheme.

EMH HOUSING AND REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

25 EMPLOYEE BENEFITS (CONTINUED)

Local government pension schemes (continued)

	Leicestershire County Council		Derbyshire County Council	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Fair value of employer assets	5,657	5,422	29,861	28,951
Present value of funded liabilities	(5,522)	(5,379)	(35,648)	(35,385)
Net underfunding in funded plans	135	43	(5,787)	(6,434)
Present value of unfunded liabilities	-	-	(69)	(70)
Net asset/(liability)	135	43	(5,856)	(6,504)
Reconciliation of defined benefit obligations				
Opening value of funded liabilities	5,379	4,303	35,385	30,151
Opening value of unfunded liabilities	-	-	70	64
Current service cost	174	142	683	586
Past service cost	-	9	62	73
Interest cost on obligations	141	153	921	1,055
Members contributions	26	29	110	133
Benefits paid	(95)	(62)	(845)	(877)
Unfunded benefits paid	-	-	(3)	(3)
Changes in financial assumptions	(103)	1,046	(667)	5,940
Other experience	-	(241)	1	(1,667)
Closing value of funded liabilities	5,522	5,379	35,648	35,385
Closing value of unfunded liabilities	-	-	69	70
Reconciliation of fair value of plan assets				
Opening fair value of plan assets	5,422	4,375	28,951	24,603
Interest on assets	141	154	751	856
Members contributions	26	29	110	133
Employers contributions	61	84	645	484
Contributions in respect on unfunded benefits	-	-	3	3
Benefits paid	(95)	(62)	(845)	(877)
Unfunded benefits paid	-	-	(3)	(3)
Return on assets excluding net interest	102	842	249	3,752
Closing fair value of plan assets	5,657	5,422	29,861	28,951
Expenses recognised in the profit and loss account				
Current service cost	174	142	683	586
Past service cost	-	9	62	73
Interest cost	-	(1)	170	199
Expected return on employer assets	(61)	(84)	(648)	(487)
Total pension costs recognised in the profit and loss account	113	66	267	371

EMH HOUSING AND REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

25 EMPLOYEE BENEFITS (CONTINUED)

	Leicestershire County Council		Derbyshire County Council	
	2018	2017	2018	2017
Amounts recognised in other comprehensive income				
Changes in financial assumptions	(103)	1,046	(667)	5,940
Other experience	-	(241)	1	(1,667)
Return on assets excluding interest	(102)	(842)	(249)	(3,752)
Total amounts recognised in other comprehensive income	(205)	(37)	(915)	521

The estimated split of plan assets at each period end is as follows:

Equities	58%	61%	68%	72%
Bonds	29%	25%	20%	18%
Property	9%	8%	7%	6%
Cash	4%	6%	5%	4%
	100%	100%	100%	100%

The estimated bid value of the funds assets at 31 March 2018 was £4,606m for the DCC scheme and £4,058m for the LCC scheme.

Principal actuarial assumptions at the year end were as follows:

Inflation/pension increase rate	2.4%	2.4%	2.4%	2.4%
Salary increase rate	3.4%	3.4%	2.9%	2.9%
Discount rate	2.7%	2.6%	2.7%	2.6%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2010 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Male	Female
	Years	
Current pensioners	21.9	24.4
Future pensioners	23.9	26.5

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

The last full actuarial valuation of the both the DCC scheme and the LCC scheme were performed on 31 March 2016. The Association expects to contribute £540,000 to the DCC scheme and £65,000 to the LCC scheme in the period to 31 March 2019.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

EMH HOUSING AND REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

25 EMPLOYEE BENEFITS (CONTINUED)

Local government pension schemes (continued)

Change in assumptions at 31 March 2018	Leicestershire County Council		Derbyshire County Council	
	Approx. % increase to employer liability	Approx. monetary amount (£'000)	Approx. % increase to employer liability	Approx. monetary amount (£'000)
0.5% decrease in real discount rate	11%	595	10%	3,466
0.5% increase in salary increase rate	2%	126	1%	457
0.5% increase in pension increase rate	9%	457	8%	2,966
		2018	2017	
		£'000	£'000	

26 SHARE CAPITAL

Share capital

Allotted, issued and fully paid at 1 April and 31 March - -

At 31 March 2018, the Association had 8 ordinary shares (2017: 8) in issue, with each share having a nominal value of £1. The shares have no rights to dividends nor to any share of assets of the Association in the event of it ceasing to operate.

27 OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

Less than one year	351	703
Between one and five years	594	806
More than five years	-	119
	945	1,628

During the year £968k was recognised as an expense in the profit and loss account in respect of operating leases (2017: £1,063k).

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

	2018 £'000	2017 £'000
28 CAPITAL COMMITMENTS		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	34,885	29,494
<u>Sources of Funding</u>		
Government Grants	2,789	4,297
Working Capital	12,495	25,197
Secured & Available Facilities	19,601	-
Capital expenditure that has been authorised by the Board of Management but has yet been contracted for	61,829	35,091
<u>Sources of Funding</u>		
Government Grants	11,524	5,204
Working Capital	-	3,260
Secured & Available Facilities	50,305	26,627

29 RELATED PARTIES

No board members or shareholders at 31 March 2018 were tenants of the Association during the year.

During the year emh homes had the following intercompany recharge transactions with non regulated entities within the emh group.

Sales to:

Enable Housing Association Limited	-	68
emh Care & Support Limited	38	-
Midlands Rural Housing	228	176
East Midlands Housing Group Limited	127	127

Sales to Enable Housing Association and emh Care & Support are management charges for housing services. These charges are made at an arms length commercial rate. Sales to Midlands Rural Housing are management charges for maintenance contract management services. These charges are made at cost. Sales to East Midlands Housing Group are rental charges for an office building. These charges are made at an arms length commercial rate.

Purchases from:

East Midlands Housing Group Limited	7,348	7,487
emh treasury plc	9,320	8,408
Sharpes Garden Services Limited	2,572	1,309
emh Care & Support Limited	334	-

EMH HOUSING AND REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

29 RELATED PARTIES (continued)

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from emh Treasury are interest charges on funding. These charges are made at cost. Purchases from Sharpes Garden Services are provision of gardening services. These charges are made at an arms length commercial rate. Purchases from emh Care & Support are management charges for care and support services. These charges are made at cost.

At the end of the year emh homes had the following intercompany balances with non regulated entities within the emh group.

	2018	2017
	£'000	£'000
<u>Debtors</u>		
East Midlands Housing Group Limited	3,822	1,681
emh Care & Support Limited	22	22
Midlands Rural Housing	19	-
emh Sharpes	485	-
emh treasury plc	220	-
<u>Creditors: amounts falling due within one year</u>		
emh Sharpes	1,143	255
emh Care & Support Limited	794	554
East Midlands Housing Group Limited	612	-
Midlands Rural Housing	119	120
emh treasury plc	989	645
<u>Loans</u>		
emh treasury plc	200,681	200,798

30 ULTIMATE PARENT COMPANY

The Association is a subsidiary undertaking of East Midlands Housing Group, which is regarded by the Board of Management as the ultimate parent organisation of the Association. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk