

ORE VALLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2018



ORE VALLEY HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2018

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ORE VALLEY HOUSING ASSOCIATION LIMITED

MEMBERS, EXECUTIVES AND ADVISERS

Management Committee

S McDonald (Chair)
A Gibb (Secretary)
T Allan
T Dougan
R Eals
M McLintock
G Smith
A Johnston
I Muirhead
J Flynn

Registered Office

114-116 Station Road
Cardenden
Fife
KY5 0BW

Finance Agents

Chiene + Tait LLP
Chartered Accountants
61 Dublin Street
Edinburgh
EH3 6NL

Auditors

Bird Simpson & Company
144 Nethergate
Dundee
DD1 4EB

Bankers

Royal Bank of Scotland
197 Station Road
Cardenden
KY5 0BN

Solicitors

Thorntons
2 Park Place
Kirkcaldy
KY1 1XL

Chief Executive

A Saunders

Registration Information

Financial Conduct Authority No: 2382R(S)
The Scottish Housing Regulator No: 236
Scottish Charity No: SC031773

ORE VALLEY HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2018

The Management Committee present their report and the audited financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the Association is to provide affordable rented housing and related housing services.

Review of the business and future developments

The Association continues to be an active participant in the Fife Housing Association Alliance along with the three other Fife based Housing Associations. During the year we have commenced work aimed at delivering a number of future new housing development projects. New homes will contribute towards meeting the housing needs of people living in communities located in Central Fife.

Ore Valley HA through its subsidiary Ore Valley Enterprises Ltd. will continue to consider alternative approaches to providing new houses that will allow us to continue to meet the housing needs and demands of local communities.

The Association completed its annual planned maintenance programme, involving an additional phase of planned kitchen replacement, external paintwork, electrical periodic testing and improvement works. In addition we continued to roll out the programme to provide showers in all of our properties.

A continuing programme of maintenance and improvement will be undertaken in the coming year and beyond. We were able to report that our housing stock met the requirements of the Scottish Housing Quality Standard (SHQS) at March 2017 with a small number of exemptions and abeyances, we will endeavour to ensure that this standard will continue to be met.

In addition to SHQS the Energy Efficiency Standard for Social Housing (ESSH) has been introduced by the Scottish Government. All social landlords will be expected to meet the new standard by 2020. Ore Valley HA has progressed the review of its asset management arrangements and, during the year, has commenced a process of improving its data on the condition and energy efficiency of its housing stock so that improvement works can commence during 2018/19. We will ensure that the work required to meet ESSH will be prioritised as we move towards the target date of 2020.

One of the most significant challenges which the Association continues to face is in relation to the continuing rollout of Government proposals for welfare reform and Universal Credit in particular. We have spent considerable amounts of time working with our tenants to who have been affected by these changes. Our objective is to limit the impacts for the Association and its tenants as far as possible. Universal Credit 'full service' arrangements were rolled out in Fife during December 2017 and is impacting on our tenants and the work which we do to support them.

Towards the end of the last financial year work was completed on the installation of a medium scale wind turbine at Dundonald near Cardenden. The project was funded and is being managed through Cardenden Heat and Power Ltd. a wholly owned subsidiary of Ore Valley Housing Association. During the first year of operation the turbine performance measured by electrical output has exceeded the business plan predictions.

During the course of the year the Association implemented the third year of phasing in of the new rental structure, it is likely that further phasing will be required over the next 2-3 years.

ORE VALLEY HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2018

Key Performance Indicators

The Association reports on its performance against a series of indicators laid out in the Scottish Social Housing Charter. Our performance continues to show strong results.

Principal Risks & Uncertainties

The Association recognises the importance of effective identification, evaluation and management of all key strategic and operational risks, and this is a requirement set out by the Scottish Housing Regulator's Regulatory Standards.

Risk Management covers the whole spectrum of risks and not just those associated with finance, health and safety, business continuity and insurance. It also includes risks associated with service provision, effectiveness and continuity, public image (reputation), compliance with legislation and regulation and environment.

The principal risks facing the Association are:

- Government policy
- Welfare reform
- Business continuity and disaster recovery
- Development and growth
- Financial risk management

Governance

The Committee of Management are listed on page 1. The Committee of Management meet at least three times a year where they are advised by the Chief Executive and Finance Agents.

The Chief Executive is in charge of the day to day management of the Association, with the support of the management team and the Finance Agents. He advises the Management Committee on strategy. The Management Committee are ultimately in charge of decision making. The financial systems have an additional level of assurance through the accounting support from the Finance Agents.

Changes in fixed assets

Details of fixed assets are set out in notes 10 to 12 on pages 19 to 20.

The Management Committee and Executive Officer

The Management Committee and Executive Officers of the Association are listed on page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officer of the Association holds no interest in the Association's share capital and acts as an executive within the authority delegated by the Committee.

Statement of Committee's responsibilities

Housing Association legislation requires the Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the Income and Expenditure of the Association for the year ended on that date. In preparing those Financial Statements the Committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ORE VALLEY HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2018

Statement of internal financial control

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

1. the reliability of financial information used within the Association or provided for external users;
2. the maintenance of proper accounting records; and
3. the safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures which the Committee has established and which are designed to provide effective financial control include the following:

1. Formal policies and procedures are in place for the appointment of suitably qualified and experienced senior staff members and consultants. These policies and procedures also detail duties and levels of authority for Committee Members, staff and agents.
2. A system of budgetary control is implemented with investigation of variances and reporting to the Committee on a quarterly basis.
3. A strategic plan and medium-term projections have been prepared and approved by the Committee. These will be reviewed annually.
4. The Committee reviews reports from Management Agents and from the auditors to provide reasonable assurance that control procedures are in place and are being followed.
5. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures at full Committee level.

The Committee has reviewed the effectiveness of the system of internal financial controls in existence for the year ended 31 March 2018. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Disclosure of information to auditors

As far as each of the members of the management committee, at the time the report is approved, are aware:

- there is no relevant information of which the auditors are unaware; and
- the members of the management committee have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of the information.

Auditors

Following a tender process for audit services, a resolution to re-appoint Bird Simpson & Co as auditors will be proposed at the annual general meeting.

BY ORDER OF THE COMMITTEE



**A Gibb
Secretary**

 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORE VALLEY HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Ore Valley Housing Association for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Management Committees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Management Committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ORE VALLEY HOUSING ASSOCIATION LIMITED

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

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committees Responsibilities set out on page 5, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

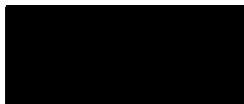
We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the company's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Murray Dalgety (Senior Statutory Auditor)

For and on behalf of

Bird Simpson & Co

Chartered Accountants and

Registered Auditors

144 Nethergate

Dundee DD1 4EB

 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF


ORE VALLEY HOUSING ASSOCIATION LIMITED

In addition to our audit of the financial statements, we have reviewed the Committee's statement on internal financial controls set out on page 3. The object of our review is to draw attention to any non-compliance with Scottish Homes Guidance Note 2001/10.

We carried out our review in accordance with guidance issued by the Auditing Practices Board. The guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

With respect to the Committee's statements on internal control on page 3 in our opinion the Committee have provided the disclosures required under Scottish Homes Guidance Note 2001/10 referred to above and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.

Based on enquiry of certain committee members and officers of the Association and examination of relevant documents, in our opinion, the Committee's statement on page 3 appropriately reflects the Association's compliance with the Scottish Homes Guidance Note 2001/10 specified for our review.


Murray Dalgety (Senior Statutory Auditor)
For and on behalf of
Bird Simpson & Co
Chartered Accountants and
Registered Auditors
144 Nethergate
Dundee DD1 4EB

 2018

ORE VALLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

| | Notes | 2018 £ | 2017 £ |
|--|-------|--------------------------|-------------------------|
| Turnover | 2 | 3,215,842 | 3,065,124 |
| Operating expenditure | 2 | (2,574,206) | (2,277,176) |
| Operating surplus | | <u>641,636</u> | <u>787,948</u> |
| Interest receivable | | 36,699 | 44,763 |
| Interest and financing costs | 8 | (706,579) | (719,364) |
| (Deficit)/Surplus before tax | | <u>(28,244)</u> | <u>113,347</u> |
| Tax on ordinary activities | 9 | - | - |
| Surplus and total comprehensive Income for the year | | <u>(28,244)</u> ===== | <u>113,347</u> ===== |

There were no discontinued operations during the year. As a consequence, the results relate wholly to continuing activities.

The notes on pages 13 to 24 form part of these financial statements.

ORE VALLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2018

| | Share Capital £ | Revenue Reserves £ | Total Unrestricted Funds £ |
|---|-----------------------|--------------------------|-------------------------------------|
| Balance at 1 April 2017 | 78 | 421,410 | 421,488 |
| Share capital cancelled in year | (3) | - | (3) |
| Share capital issued in year | 2 | - | 2 |
| Surplus from statement of total comprehensive income | - | (28,244) | (28,244) |
| Balance at 31 March 2018 | 77 | 393,166 | 393,243 |
| | ===== | ===== | ===== |
| Balance at 1 April 2016 | 79 | 308,063 | 308,142 |
| Share capital cancelled in year | (3) | - | (3) |
| Share capital issued in year | 2 | - | 2 |
| Surplus from statement of total comprehensive income | - | 113,347 | 113,347 |
| Balance at 31 March 2017 | 78 | 421,410 | 421,488 |
| | ===== | ===== | ===== |

ORE VALLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|--------------|--------------|
| Fixed assets | | | |
| Housing properties | 10 | 32,256,827 | 32,892,056 |
| Other fixed assets | 11 | 998,519 | 943,220 |
| Investments | 12 | 2 | 2 |
| | | ----- | ----- |
| | | 33,255,348 | 33,835,278 |
| | | ----- | ----- |
| Current assets | | | |
| Debtors (amounts falling due within one year) | 13 | 618,791 | 2,091,290 |
| Debtors (amounts falling due after one year) | 13 | 307,625 | 320,935 |
| Cash and cash equivalents | | 2,059,921 | 662,922 |
| | | ----- | ----- |
| | | 2,986,337 | 3,075,147 |
| | | ----- | ----- |
| Creditors: amounts falling due within one year | 14 | (1,220,260) | (1,088,784) |
| | | ----- | ----- |
| Net current assets | | 1,766,077 | 1,986,363 |
| | | ----- | ----- |
| Total assets less current liabilities | | 35,021,425 | 35,821,641 |
| | | ----- | ----- |
| Creditors: amounts owed after more than one year | 15 | (34,628,182) | (35,400,153) |
| | | ----- | ----- |
| Net assets | | 393,243 | 421,488 |
| | | ===== | ===== |
| Capital and reserves | | | |
| Share capital (non-equity) | 16 | 77 | 78 |
| Revenue reserves | 17 | 393,166 | 421,410 |
| | | ----- | ----- |
| | | 393,243 | 421,488 |
| | | ===== | ===== |

Approved by the Management Committee and signed on its behalf by:

S McDonald

Chair

A Gibb

Secretary

T Dougan

Management Committee Member

2018

The notes on pages 13 to 24 form part of these financial statements.

ORE VALLEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

| | 2018 £ | 2017 £ |
|--|-----------|-------------|
| Net cash generated from operating activities | 2,529,265 | 138,108 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (212,322) | (1,466,808) |
| Refund from contractor on underspend | 37,095 | - |
| Grants received | - | 665,959 |
| Interest received | 36,699 | 44,763 |
| Cash flows from financing activities | | |
| Interest paid | (706,579) | (719,364) |
| New Loans | - | 1,500,000 |
| Repayment of borrowings | (287,158) | (354,641) |
| Share capital issued | 2 | 2 |
| Share capital cancelled | (3) | (3) |
| | ----- | ----- |
| Net change in cash and cash equivalents in year | 1,396,999 | (191,984) |
| | ----- | ----- |
| Cash and cash equivalents at beginning of year | 662,922 | 854,906 |
| | ----- | ----- |
| Cash and cash equivalents at end of year | 2,059,921 | 662,922 |
| | ----- | ----- |
| Net cash flow generated from operating activities | | |
| Surplus/(deficit) for the year | (28,244) | 113,347 |
| Depreciation and loss on disposal of tangible fixed assets | 755,156 | 753,496 |
| Government grants utilised in the year | (354,696) | (318,893) |
| Decrease/(increase) in debtors | 1,485,809 | (644,907) |
| (Decrease)/increase in creditors | 1,360 | (439,536) |
| Adjustments for investing or financing activities: | | |
| Interest and financing costs | 706,579 | 719,364 |
| Interest receivable | (36,699) | (44,763) |
| | ----- | ----- |
| Net cash inflow from operating activities | 2,529,265 | 138,108 |
| | ===== | ===== |

The notes on pages 13 to 24 form part of these financial statements.

ORE VALLEY HOUSING ASSOCIATION LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

Analysis of changes in debt

| | | | | |
|--------------------------|---------------------|------------------|-----------------|-------------------|
| Cash at bank and in hand | 662,922 | 1,396,999 | - | 2,059,921 |
| Debt due within one year | (374,363) | 374,363 | (442,386) | (442,386) |
| Debt due after one year | (14,801,680) | - | 355,181 | (14,446,499) |
| | <u>(14,513,121)</u> | <u>1,771,362</u> | <u>(87,205)</u> | <u>12,828,964</u> |
| | ===== | ===== | ===== | ===== |

Reconciliation of net cash to movement in net debt

| | 2018 | 2017 |
|----------------------------------|---------------------|---------------------|
| | £ | £ |
| Increase/(decrease) in cash | 1,396,999 | (191,984) |
| Loans repaid | 287,158 | 354,641 |
| Loans received | - | (1,500,000) |
| Change in net debt | <u>1,684,157</u> | <u>(1,337,343)</u> |
| Net debt at 1 April 2017 | <u>(14,513,121)</u> | <u>(13,175,778)</u> |
| Net debt at 31 March 2018 | <u>(12,828,964)</u> | <u>(14,513,121)</u> |
| | ===== | ===== |

ORE VALLEY HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. Principal Accounting Policies

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014.

Legal Status

Ore Valley Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act 2014 No.2382RS and is a registered Scottish charity No.SC031773. Ore Valley Housing Association Limited is registered as a housing association with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The principal activity of the Association is the provision of social housing and thus the Association is considered a public benefit entity. The registered office is 114-116 Station Road, Cardenden, KY8 0BW.

The principal accounting policies of the Association are set out below.

Basis of Accounting

The Financial Statements are prepared on the historical cost basis of accounting.

The Financial Statements have been presented in Pound Sterling as this is the functional and presentational currency of the Company.

Consolidation

During the year, Ore Valley Housing Association Limited received Group Accounts Exception under Section 99 of the Co-operative and Community Benefit Societies Act 2014.

Turnover

The Association's turnover represents rental income (net of voids) and revenue based grants. Group turnover represents rental income, revenue based grants and income generated from furniture recycling and redistribution.

Tangible Fixed Assets – Housing Properties

Housing properties including developments in progress are stated at cost less aggregate depreciation.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Social Housing Grant

Social Housing Grant (SHG) is receivable in respect of qualifying development costs as determined by Communities Scotland from time to time. SHG is repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to the net proceeds of sale.

Capital grants are accounted for using the accrual model and are recognised in income on a systematic basis over the useful life of the related housing asset. The Association uses the useful lives of all housing components on a pro-rata basis to calculate the annual amortisation.

Other social housing grants received in respect of revenue expenditure are credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Depreciation and impairment of fixed assets

a. Housing properties

Depreciation is provided on a straight line basis over the estimated useful economic lives of component categories.

ORE VALLEY HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

1. Principal Accounting Policies (continued)

Depreciation and impairment of fixed assets (continued)

Useful economic lives for identified components are as follows:

| Component | Useful economic life |
|--------------------------|----------------------|
| Structure | 75 years |
| Roof | 50 years |
| Windows and doors | 25 years |
| Bathrooms | 30 years |
| Kitchens | 20 years |
| Boilers | 15 years |
| Pipework and radiators | 15 years |
| Electrical systems | 30 years |
| External wall insulation | 30 years |

In the case of properties with an expected useful economic life of more than 50 years, impairment reviews are carried out on an annual basis in accordance with section 27 of FRS102. Where impairment reduces the economic value of a group of properties to an amount less than the net book value, the impairment is charged to the Statement of Comprehensive Income. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost less residual value of such assets over their expected useful life as follows:

| | |
|---------------------|-------------------------------|
| Land | nil |
| Properties | 2% per annum - straight line |
| Office equipment | 20% per annum - straight line |
| Computer equipment | 20% per annum - straight line |
| Fixtures & fittings | 20% per annum - straight line |
| Motor vehicles | 20% per annum - straight line |

Assets in the course of construction are not depreciated.

Works to existing housing properties

Where works to existing housing properties enhance the economic benefit of owning the properties, the cost of such works is capitalised. An enhancement of economic benefits will be recognised where the works will result in increased rental income, a reduction in maintenance costs or an extension of the expected useful life of the properties.

The cost of all other works to existing housing properties is written off to the Income and Expenditure Account in the year in which it is incurred.

Capitalisation of development overheads

Costs which are directly attributable to bringing housing properties into working condition are included in housing properties cost. Directly attributable costs include direct labour costs of the Association and the incremental costs which would have been avoided only if the property had not been constructed or acquired. All other development overheads are written off to the Income and Expenditure Account.

Development interest

Interest on borrowings specifically financing a development programme is capitalised to the extent that it accrues in respect of the period during which development activities are in progress. All other interest is written off to the Income and Expenditure Account in the period in which it accrues.

ORE VALLEY HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

1. Principal Accounting Policies (continued)

Sale of Housing Properties

The surplus or deficit on the disposal of housing properties is shown as the difference between net proceeds and net book value. The net book value is reduced by the amount of any Housing Association Grant which does not require to be repaid.

Grants

Grants are recognised in the period in which they are received. Any grants received for the purchase of specific fixed assets are recognised over the estimated useful economic life of the asset.

Pensions

The Association operates a defined benefits Pension Scheme, the costs of which are expressed on an accruals basis. The assets of the Scheme are held separately from those of the Association in an independently administered Fund.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Taxation

The Association has obtained charitable status and no liability to tax has accrued to date. Ore Valley Enterprises Limited, a subsidiary, is liable to tax.

Going concern

The financial statements have been prepared on the going concern basis. The Board have assessed the Association's ability to continue as a going concern and have reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ORE VALLEY HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

2. Particulars Turnover, operating costs and operating surplus

| | Turnover £ | Operating Costs £ | 2018 Operating Surplus £ | 2017 Operating Surplus £ |
|--|------------------|-------------------------|-----------------------------------|-----------------------------------|
| Affordable letting activities (note 3) | 3,160,393 | 2,192,760 | 967,633 | 1,019,492 |
| Other activities (note 4) | 55,449 | 381,446 | (325,997) | (231,544) |
| Total 2018 | 3,215,842 | 2,574,206 | 641,636 | 787,948 |
| Total 2017 | 3,065,124 | 2,277,176 | 787,948 | |

3. Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities

| | General Needs Housing and Total | |
|--|------------------------------------|---------------------|
| | 2018 £ | 2017 £ |
| Income from lettings | | |
| Rent receivable net of service charges | 2,791,114 | 2,675,183 |
| Service charges receivable | - | - |
| Gross income from rents and service charges | 2,791,114 | 2,675,183 |
| Less: Voids | (10,598) | (9,634) |
| Net income from rents and service charges | 2,780,516 | 2,665,549 |
| Grants released from deferred income | 354,696 | 318,893 |
| Other revenue grants | 25,181 | 26,045 |
| Total turnover from affordable letting activities | 3,160,393 | 3,010,487 |
| Expenditure on letting activities | | |
| Management and maintenance admin costs | 921,004 | 674,040 |
| Service costs | 4,306 | 5,005 |
| Planned and cyclical maintenance including major repairs costs | 281,749 | 311,629 |
| Reactive maintenance costs | 233,062 | 262,800 |
| Bad debts – rents and service charges | 17,241 | 3,227 |
| Depreciation and loss on disposal of affordable housing properties | 735,398 | 734,294 |
| Operating costs for affordable letting activities | 2,192,760 | 1,990,995 |
| Operating surplus for affordable letting activities | 967,633 | 1,019,492 |
| Operating surplus for affordable letting activities for previous year | 1,019,492 | |
| There is no other accommodation except for General Needs Housing. | | |
| | 2018 No. | 2017 No. |
| Number of homes in management | 674 | 674 |

ORE VALLEY HOUSING ASSOCIATION
 NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

4. Particulars of turnover, operating costs and operating surplus or deficit from other activities

| | Grants from Scottish Ministers £ | Other revenue grants £ | Supporting people income £ | Other income £ | Total turnover £ | Operating costs - bad debts £ | Other operating costs £ | Operating surplus or deficit 2018 £ | Operating surplus or deficit 2017 £ |
|---|---|------------------------------|-------------------------------------|----------------------|------------------------|--|----------------------------------|---|---|
| Wider role activities undertaken to support the community, other than the provision, construction improvements and management of housing | - | - | - | - | - | - | 381,446 | (381,446) | (286,181) |
| Other activities | - | - | - | 55,449 | 55,449 | - | - | 55,449 | 54,637 |
| Total from other activities 2018 | | | | 55,449 | 55,449 | - | 381,446 | (325,997) | (231,544) |
| Total from other activities 2017 | | | | 54,637 | 54,637 | - | 286,181 | (231,544) | |

There were no other activities other than the activities shown above.

ORE VALLEY HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

5. Surplus on ordinary activities before taxation

| | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Surplus on ordinary activities before taxation is stated after: | | |
| Depreciation and loss on disposal | 755,156 | 753,496 |
| Auditors' remuneration for audit services (incl VAT) | 4,106 | 3,986 |
| | ===== | ===== |

6. Officers' emoluments

An officer of an Association is defined by the Registered Housing Association (Accounting Requirements) (Scotland) Order 2007 as the Chief Executive and any other person reporting directly to the Chief Executive or directly to the Board and whose total emoluments exceed £60,000 per year.

No emoluments were paid to any Member of the Committee of Management and the emoluments of the Chief Executive were:

| | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Total emoluments (including pension contributions of £6,420 (2017: £4,271)) | 71,939 | 68,600 |
| | ===== | ===== |
| Total expenses reimbursed to Committee Members and the Chief Executive | 679 | 538 |
| | ===== | ===== |

The Chief Executive is an ordinary member of the Association's pension scheme described in note 23. No enhanced or special terms apply and he has no other pension arrangements to which the Association contributes.

There are no staff costs within the subsidiary companies.

7. Employee information

| | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Staff costs (including Chief Executive) | | |
| Wages and salaries | 474,257 | 435,361 |
| Social security costs | 46,955 | 42,813 |
| Pension costs | 32,920 | 17,872 |
| | ----- | ----- |
| | 554,132 | 496,046 |
| | ===== | ===== |

The average number of persons (full time equivalents) employed by the Association during the during the year

| | |
|-------|-------|
| 18 | 18 |
| ===== | ===== |

8. Interest and financing costs

| | 2018 | 2017 |
|------------------------------|-------------|-------------|
| | £ | £ |
| Interest payable on loans | 703,579 | 707,364 |
| Unwinding of discount factor | 3,000 | 12,000 |
| | ----- | ----- |
| | 706,579 | 719,364 |
| | ===== | ===== |

ORE VALLEY HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

| | | | | |
|---|-----------------|---------------------|--------------|--------------|
| 9. Taxation on ordinary Activities | | | 2018 | 2017 |
| | | | £ | £ |
| Current year corporation tax | | | - | - |
| | | | ===== | ===== |
| 10. Tangible fixed assets | Held for | Under | Total | Total |
| | Letting | Construction | 2018 | 2017 |
| | £ | £ | £ | £ |
| Housing Properties | | | | |
| Cost | | | | |
| As at 1 April 2017 | 39,464,636 | 48,421 | 39,513,057 | 38,200,321 |
| Additions | 100,170 | - | 100,170 | 1,463,488 |
| Transfer | - | - | - | - |
| Disposals | (40,426) | - | (40,426) | (150,752) |
| | ----- | ----- | ----- | ----- |
| At 31 March 2018 | 39,524,380 | 48,421 | 39,572,801 | 39,513,057 |
| | ----- | ----- | ----- | ----- |
| Depreciation | | | | |
| As at 1 April 2017 | 6,621,001 | - | 6,621,001 | 6,037,459 |
| Charge for year | 721,674 | - | 721,674 | 691,977 |
| On disposals | (26,701) | - | (26,701) | (108,435) |
| | ----- | ----- | ----- | ----- |
| At 31 March 2018 | 7,315,974 | - | 7,315,974 | 6,621,001 |
| | ----- | ----- | ----- | ----- |
| Net book value | | | | |
| At 31 March 2018 | 32,208,406 | 48,421 | 32,256,827 | 32,892,056 |
| | ===== | ===== | ===== | ===== |
| At 31 March 2017 | 32,843,635 | 48,421 | 32,892,056 | |
| | ===== | ===== | ===== | |

11. Tangible fixed assets

| | | | | | |
|---------------------------|-------------------|------------------|------------------|-----------------|--------------|
| | Land & | Computer | Office | Motor | Total |
| | Buildings | Equipment | Equipment | Vehicles | |
| | £ | £ | £ | £ | £ |
| Other fixed assets | | | | | |
| Cost or valuation: | | | | | |
| As at 1 April 2017 | 1,085,198 | 75,302 | 15,029 | 15,838 | 1,191,367 |
| Additions during year | 63,574 | 8,906 | 2,577 | - | 75,057 |
| Disposals | - | - | - | - | - |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 March 2018 | 1,148,772 | 84,208 | 17,606 | 15,838 | 1,266,424 |
| | ----- | ----- | ----- | ----- | ----- |
| Depreciation | | | | | |
| As at 1 April 2017 | 146,374 | 70,906 | 15,029 | 15,838 | 248,147 |
| Charge for year | 16,443 | 3,118 | 197 | - | 19,758 |
| Disposals | - | - | - | - | - |
| | ----- | ----- | ----- | ----- | ----- |
| At 31 March 2018 | 162,817 | 74,024 | 15,226 | 15,838 | 267,905 |
| | ----- | ----- | ----- | ----- | ----- |
| Net book value | | | | | |
| At 31 March 2018 | 985,955 | 10,184 | 2,381 | - | 998,519 |
| | ===== | ===== | ===== | ===== | ===== |
| At 31 March 2017 | 938,824 | 4,396 | - | - | 943,220 |
| | ===== | ===== | ===== | ===== | ===== |

ORE VALLEY HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

| 12. Investments | 2018 | 2017 |
|------------------------|-------------|-------------|
| | £ | £ |
| Cost | | |
| As at 1 April 2017 | 2 | 2 |
| Additions during year | - | - |
| | ----- | ----- |
| At 31 March 2018 | 2 | 2 |
| | ===== | ===== |

Ore Valley Housing Association Limited owns one share which is 100% of the share capital of Ore Valley Enterprises Limited and one share which is 100% of the share capital of Cardenden Heat and Power Limited. The Association also owns 100% of Ore Valley Community Initiatives Limited, a company limited by guarantee and therefore the investment is shown at nil cost.

| Aggregate capital and reserves | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Ore Valley Community Initiatives Limited | 1,511,286 | 1,550,096 |
| Ore Valley Enterprises Limited | (226,797) | (217,222) |
| Cardenden Heat and Power Limited (as at 31/12/2017) | (42,817) | (47,001) |

| Profit/(loss) for the year | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Ore Valley Community Initiatives Limited | (38,810) | (74,326) |
| Ore Valley Enterprises Limited | (9,575) | (51,691) |
| Cardenden Heat and Power Limited (for the period ending 31/12/2017) | 4,184 | (46,900) |

| 13. Debtors | 2018 | 2017 |
|------------------------------------|-------------|-------------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | - | - |
| Amounts owed by group undertakings | 485,546 | 1,195,485 |
| Other debtors and prepayments | 45,873 | 817,735 |
| Rental debtors | 155,810 | 134,432 |
| Provision for doubtful debts | (68,438) | (56,362) |
| | ----- | ----- |
| | 618,791 | 2,091,290 |
| | ===== | ===== |
| Due after one year | | |
| Amounts owed by group undertakings | 257,455 | 264,840 |
| Other debtors | 50,170 | 56,095 |
| | ----- | ----- |
| | 307,625 | 320,935 |
| | ===== | ===== |

Included in 'Amounts owed by group undertakings' of the Association is the inter-company loan of £264,840 due from Ore Valley Community Initiatives Limited of which £257,455 is due after one year.

ORE VALLEY HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

| 14. Creditors: Amounts falling due within one year | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Other creditors | 323,084 | 270,985 |
| Taxation and social security | 15,129 | 11,450 |
| Prepayment of rent | 77,871 | 77,290 |
| Bank loans | 442,386 | 374,363 |
| Deferred Housing Association Grant | 361,790 | 354,696 |
| | ----- | ----- |
| | 1,220,260 | 1,088,784 |
| | ===== | ===== |

| 15. Creditors: Amounts falling due after one year | 2018 | 2017 |
|--|-------------|-------------|
| | £ | £ |
| Bank loans | 14,446,499 | 14,801,680 |
| Deferred Housing Association Grant | 20,015,683 | 20,377,473 |
| Pension deficit contributions | 166,000 | 221,000 |
| | ----- | ----- |
| | 34,628,182 | 35,400,153 |
| | ===== | ===== |

The property loans are repayable in instalments over a period ranging up to 30 years.

Loans totalling £9,660,751 at 31 March 2018 carry interest at rates fixed for periods of up to 30 years. All other loans carry interest at a variable rate. At the balance sheet date, the loans were at rates between 0.95% and 7.65%.

All loans are secured over the housing properties owned by the Association.

15. Creditors: Amounts falling due after one year (continued)

| | Association | |
|---|--------------------|-------------|
| | 2018 | 2017 |
| | £ | £ |
| Loan instalments are due as follows: | | |
| Within one year | 442,386 | 374,363 |
| Between one and two years | 442,882 | 383,098 |
| Between two and five years | 1,728,893 | 1,744,492 |
| After more than five years | 12,274,724 | 12,674,090 |
| | ----- | ----- |
| | 14,888,885 | 15,176,043 |
| | ===== | ===== |

| | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Deferred Housing Association Grant | | |
| Due within one year | 361,790 | 354,696 |
| Due between one and two years | 361,790 | 356,000 |
| Due between three and five years | 1,345,831 | 1,068,000 |
| Due after 5 years | 18,308,062 | 18,953,473 |
| | ----- | ----- |
| | 20,377,473 | 20,732,169 |
| | ----- | ----- |
| Less: included in current liabilities above | (361,790) | (354,696) |
| | ----- | ----- |
| | 20,015,683 | 20,377,473 |
| | ===== | ===== |

ORE VALLEY HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

| 16. Share capital (not equity) | 2018 | 2017 |
|---------------------------------------|-------------|-------------|
| | £ | £ |
| Allotted, issued and fully paid | | |
| At 1 April 2017 | 78 | 79 |
| Issued in year | 2 | 2 |
| | ----- | ----- |
| | 80 | 81 |
| Cancelled in the year | 3 | 3 |
| | ----- | ----- |
| At 31 March 2018 | 77 | 78 |
| | ===== | ===== |

Each member of the Association holds one share and all shares carry equal voting rights. Under the rules of the Association, members are not entitled to dividends nor can they participate in any distribution on the winding up of the Association.

| 17. Revenue reserves | 2018 | 2017 |
|-----------------------------|-------------|-------------|
| | £ | £ |
| At 1 April 2017 | 421,410 | 308,063 |
| Surplus/(loss) for year | (28,244) | 113,347 |
| | ----- | ----- |
| At 31 March 2018 | 393,166 | 421,410 |
| | ===== | ===== |

18. Pensions

The Pensions Trust – Scottish Housing Associations’ Pension Scheme (SHAPS)

Ore Valley Housing Association participates in the scheme, a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

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

The scheme is classified as a “last-man standing arrangement”. Therefore, the Association is potentially liable for the other participating employer’s 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 purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2012. This actuarial valuation showed assets of £394m, liabilities of £698m and a deficit of £304m.

A full actuarial valuation for the scheme was carried out at 30 September 2015. This actuarial valuation showed assets of £616m liabilities of £814m and a deficit of £198m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

ORE VALLEY HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

Deficit contributions

| | |
|--|---|
| From 1 April 2017 to 28 February 2022: | £25,735,902 per annum (payable monthly and increasing by 3% each 1 April) |
| From 1 April 2017 to 30 June 2025: | £727,217 per annum (payable monthly and increasing by 3% each 1 April) |
| From 1 April 2017 to 31 October 2026: | £1,239,033 per annum (payable monthly and increasing by 3% each 1 April) |

Unless a concession has been agreed with the trustees the term to 28 February 2022 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the Association recognises a liability for this obligation. The amount 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 noted below. The unwinding of the discount rate is recognised as a finance cost.

| | 2018 | 2017 |
|--|-------------|-------------|
| | £ | £ |
| Present value of provision | 222,000 | 275,000 |
| | ===== | ===== |
| Reconciliation of opening and closing provisions | | |
| Provision at start of period | 275,000 | 566,000 |
| Unwinding of discount factor | 3,000 | 12,000 |
| Deficit contribution paid | (54,000) | (48,000) |
| Remeasurements – impact of any change in assumptions | (2,000) | 8,000 |
| Remeasurements – amendments to the contribution schedule | - | (263,000) |
| | ----- | ----- |
| Provision at end of period | 222,000 | 275,000 |
| | ===== | ===== |
| Income and expenditure impact | | |
| Interest expense | 3,000 | 12,000 |
| Remeasurements – impact of any change in assumptions | (2,000) | 8,000 |
| Remeasurements – amendments to the contribution schedule | - | (263,000) |
| | ===== | ===== |
| Assumptions | 2018 | 2017 |
| | % pa | % pa |
| Rate of discount | 1.51 | 1.06 |
| | ===== | ===== |

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 curve to discount the same recovery plan contributions.

Employer debt regulations

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

ORE VALLEY HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2018

18. Pensions (continued)

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Ore Valley Housing Association Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the SFHA Pension Scheme based on the financial position of the Scheme as at 30 September 2015. As of this date the estimated employer debt for Ore Valley Housing Association Limited was £2,023,068.

As the Association continues to offer membership of The Scheme to its employees, it regards crystallisation of the buy-out debt as being remote and therefore no provision is required.

19. Related party transactions

Some members of the Management Committee are also tenants of the Association. Their tenancies are all on the same terms as for other tenants and no advantage can be gained from their position.

At 31 March 2018, there was an amount due from Ore Valley Enterprises Limited of £226,465 (2017: £212,838), and £7,577 of interest was charged on the inter-company current account during the year at a commercial rate.

Also, at the 31 March 2018 the balance on the inter-company loan account was £Nil (2017: £455,000), and £6,870 of interest was charged during the year at a commercial rate.

At 31 March 2018, £241,684 (2017: £210,918) was due from Ore Valley Community Initiatives Limited, and £7,889 of interest was charged on the inter-company current account during the year at a commercial rate.

Also, at 31 March 2018 there was a loan of £264,840 (2017: £271,871) due from Ore Valley Community Initiatives Limited. The loan is to be repaid by 31 March 2039 at a fixed interest rate of 4.95% per annum and is secured over the Miners Institute.

Ore Valley Community Initiatives Limited rented a room in the business centre to the Association at a cost of £1,148 (2017: £Nil). Ore Valley Housing Association also rented a space in the Miners Institute at a cost of £6,378 (2017: £Nil). Nothing was outstanding at the year-end.

At 31 March 2018, £13 (2017: £264,221) was due from Ore Valley Heating Limited on the inter-company current account.

At 31 March 2018, £10,000 (2017: £45,477) was due from Ore Valley Energy Limited on the inter-company current account.

Chief Executive, A W W Saunders is also a director of Ore Valley Enterprises Limited, Ore Valley Community Initiatives Limited, Cardenden Heat and Power Limited, Ore Valley Heating Limited and Ore Valley Energy Limited.

Committee members G Smith and J Flynn are also directors of Ore Valley Enterprises Limited and Ore Valley Community Initiatives Limited.