

REGISTERED COMPANY NUMBER: 541304 (England and Wales)
REGISTERED CHARITY NUMBER: 228037

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
FOR
SOLDEN HILL HOUSE LIMITED**

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SOLDEN HILL HOUSE LIMITED

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FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

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SOLDEN HILL HOUSE LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

The trustees who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 in preparing the annual report and financial statements of the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
541304 (England and Wales)

Registered Charity number
228037

Registered office
Solden Hill House
Banbury Road
Byfield
Daventry
Northamptonshire
NN11 6UA

Trustees

Mrs M Oliver
Mr P Apps
Mrs C Wilkinson - Resigned 7 January 2014
Mr R Apps - Resigned 4 December 2013
Mrs E C Wardlaw
Mrs J Margieson – Resigned 19 March 2014
Mrs D E Thomas
Ms E Horton – Appointed 7 May 2014
Mrs D Charters – Appointed 7 May 2014

Company Secretary
Miss L Dray

Auditors
Ellacotts LLP
Statutory Auditors
Chartered Accountants
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA

Solicitors
Spratt Endicott,
52-54 The Green,
Banbury,
Oxon,
OX16 9AB

Bankers
Lloyds TSB plc,
12 High Street,
Banbury,
Oxon, OX16 8EF

SOLDEN HILL HOUSE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014 REGISTERED COMPANY NUMBER: 541304 (England and Wales)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by shares, incorporated on 30 November 1954 and registered as a charity on 30 December 1963. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Appointment of new trustees

New trustees are elected to the board by majority vote of existing trustees after consultation with the management.

Trustee induction and training

Trustees meet the management and other trustees prior to appointment. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The board of trustees, which can have up to 10 members, administers the charity. The board meets quarterly and in the interim is consulted by management on matters as deemed necessary. A General Manager is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the General Manager has delegated authority, within limits agreed by the board of trustees and as required in her role as the Registered Manager of Solden Hill House.

Risk management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

Procedures are in place to ensure compliance with health and safety of staff, volunteers, service users and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet ongoing requirements.

The care home operations of the charity are subject to inspections by the Care Quality Commission.

The trustees confirm the charity's commitment to the maintenance of a protection from abuse policy.

OBJECTIVES AND ACTIVITIES

The objectives of the charity are:

- To provide a secure residential environment in which 30 men and women with learning difficulties are enabled to develop their talents and personalities and lead lives which are fulfilling and enriching, particularly but not exclusively by the application of the principles of Rudolf Steiner.
- To provide high quality residential care for adults with learning difficulties.

The main objectives and activities for the year continued to focus upon the above. The philosophy of care employed to assist the charity to meet these objectives with regard to its residents are as follows:

- Provision of varied activities, both structured and in accordance with residents' wishes.
- Support of well trained and committed staff.
- A safe and secure environment.
- Co-operation with friends and families.
- Care tailored to individual needs.
- Use of expertise from outside of Solden Hill as required to improve quality of care.

ACHIEVEMENT AND PERFORMANCE

Provision of residential care

During the year under review the charity provided care for thirty residents, out of a maximum capacity of thirty.

Unannounced inspections were carried out during the year by the Care Quality Commission at Solden Hill House and at Innes House. There are no outstanding issues.

SOLDEN HILL HOUSE LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014 REGISTERED COMPANY NUMBER: 541304 (England and Wales)

FINANCIAL REVIEW

Reserves policy

The trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation. In their view the company has adequate but not excessive reserves to meet its obligations as they fall due. The level of reserves held at the end of the year was £1,465,296 (2013: £1,516,257) and full details are included in note 15 to the financial statements.

Principal funding sources

The large majority of funding arises from fees charged for the provision of residential care. Depending on individual circumstance these fees are met, in varying proportions, by Local Authorities, the Department for Work and Pensions or the residents' families if privately funded.

Various fundraising activities are undertaken by the charity in order to supplement fee income.

In the year under review, the charity received amounts of donated income and legacy for general purposes.

The charity receives various amounts of investment income, as described in the note below.

Investment policy

The charity has monies in a COIF Charities Deposit, NatWest Deposit and a third party managed investment portfolio. The objective of these investments is to provide both long term protection of capital and returns to further the charity's objects. In the light of current economic conditions the trustees deem the returns on these investments to be reasonable.

PUBLIC BENEFIT STATEMENT

This report summaries the objectives of the charity which have been achieved in the year and which are considered in planning activities for the future. The home will continue to be open without restriction to people from whatever means.

In preparing the report, the trustees confirm that they have referred to the Charity Commission guidance on public benefit.

PLANS FOR FUTURE PERIODS

The charity will continue in a similar manner in the future to achieve it's objectives, being mindful of the need to maintain a capacity of resident numbers which has now been achieved.

OVERVIEW OF THE YEAR

This has been another challenging year, however, expenditure has been controlled and in some cases delayed, and the Trustees are satisfied that the objects of the charity have been achieved.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Solden Hill House Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

SOLDEN HILL HOUSE LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Ellacotts LLP who will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

 10/12/14
.....
L Dray - Secretary

 10/12/14.
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOLDEN HILL HOUSE LIMITED
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

We have audited the financial statements of Solden Hill House Limited for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 3, the trustees (who are also the directors of the charitable company for the purpose of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'S) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirement of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOLDEN HILL HOUSE LIMITED
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Derek Boughton FCA (Senior Statutory Auditor)
for and on behalf of Ellacotts LLP

Statutory Auditors
Chartered Accountants
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA

16/12/14

SOLDEN HILL HOUSE LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

		Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Fees receivable	2	1,067,249	-	1,067,249	1,142,508
Donations and gifts		7,373	175	7,548	8,769
Activities for generating funds	3	1,589	203	1,792	1,395
Investment income	4	<u>6,495</u>	<u>963</u>	<u>7,458</u>	<u>6,599</u>
Total incoming resources		1,082,706	1,341	1,084,047	1,159,271
RESOURCES EXPENDED					
Charitable activities					
Direct charitable expenditure	5	1,115,387	1,098	1,116,485	1,188,957
Governance costs		<u>6,020</u>	<u>-</u>	<u>6,020</u>	<u>7,541</u>
Total resources expended		1,121,407	1,098	1,122,505	1,196,498
NET INCOMING/(OUTGOING) RESOURCES					
		(38,701)	243	(38,458)	(37,227)
Other recognised gains/losses					
Gains/(Loss) on investment assets		<u>(10,283)</u>	<u>(2,220)</u>	<u>(12,503)</u>	<u>4,247</u>
Net movement in funds		(48,984)	(1,977)	(50,961)	(32,980)
RECONCILIATION OF FUNDS					
Total funds brought forward		820,780	695,477	1,516,257	1,549,237
TOTAL FUNDS CARRIED FORWARD		<u>771,796</u>	<u>693,500</u>	<u>1,465,296</u>	<u>1,516,257</u>

The notes form part of these financial statements

SOLDEN HILL HOUSE LIMITED

**BALANCE SHEET
AT 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

		Unrestricted funds	Restricted funds	2014 Total funds	2013 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8	469,410	651,815	1,121,225	1,116,276
Investments	9	<u>179,869</u>	<u>37,265</u>	<u>217,134</u>	<u>179,637</u>
		649,279	689,080	1,338,359	1,295,913
CURRENT ASSETS					
Stocks	10	5,000	-	5,000	8,248
Debtors	11	69,666	-	69,666	134,138
Cash at bank and in hand		<u>127,265</u>	<u>4,420</u>	<u>131,685</u>	<u>160,162</u>
		201,931	4,420	206,351	302,548
CREDITORS					
Amounts falling due within one year	12	(79,395)	-	(79,395)	(82,184)
NET CURRENT ASSETS		<u>122,536</u>	<u>4,420</u>	<u>126,956</u>	<u>220,364</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>771,815</u>	<u>693,500</u>	<u>1,465,315</u>	<u>1,516,277</u>
CALLED UP SHARE CAPITAL	17			19	19
FUNDS	15				
Unrestricted funds				771,796	820,780
Restricted funds				<u>693,500</u>	<u>695,478</u>
TOTAL FUNDS				<u>1,465,315</u>	<u>1,516,277</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 10 December 2014 and were signed on its behalf by:



E C Wardlaw - Trustee

10/12/14

The notes form part of these financial statements

SOLDEN HILL HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 REGISTERED COMPANY NUMBER: 541304 (England and Wales)

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" effective from April 2005 and applicable accounting standards.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Company status

The charity is a company limited by shares. The members of the company are the trustees named in the report of the trustees.

Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Furniture and equipment over 10 years

Computer equipment over 4 years

Motor vehicles over 4 years

Freehold properties are not depreciated due to the long estimated remaining useful economic life and that the residual value would not be less than its carrying value.

Stocks

Stock consists of purchased goods for use by the Home. Stocks are valued at the lower of cost and net realisable value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, losses and gains are allocated to the appropriate fund.

SOLDEN HILL HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

1. ACCOUNTING POLICIES – continued

Pension costs and other post-retirement benefits

The company operates a defined benefit scheme and a stakeholder scheme for the benefit of its employees. The costs of contributions are written off against revenue in the year they are payable.

Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant rate of charge.

Fixed asset investments

Fixed asset investments are held at market value as at the balance sheet date with movements shown in the SOFA.

2. FEES RECEIVABLE

	2014	2013
	£	£
Fees receivable	<u>1,067,249</u>	<u>1,142,508</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2014	2013
	£	£
Fundraising events	<u>1,792</u>	<u>1,395</u>

4. INVESTMENT INCOME

	2014	2013
	£	£
Deposit account interest	<u>7,458</u>	<u>6,599</u>

SOLDEN HILL HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

5. RESOURCES EXPENDED

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Direct charitable expenditure				
Provision of residential care home services:				
Staff costs (including agency fees)	812,571	-	812,571	839,192
Residents' expenses	137,130	-	137,130	137,015
Property expenses	109,925	-	109,925	146,285
Management and administration	43,523	-	43,523	56,062
Depreciation and (profit)/loss on sale of fixed assets	12,238	1,098	13,336	10,403
	<u>1,115,387</u>	<u>1,098</u>	<u>1,116,485</u>	<u>1,188,957</u>
Governance costs				
Audit fees	3,600	-	3,600	3,600
Accountancy fees	1,800	-	1,800	2,424
Trustees insurance	620	-	620	1,517
	<u>6,020</u>	<u>-</u>	<u>6,020</u>	<u>7,541</u>
Total resources expended include:				
			2014	2013
			£	£
Auditor's remuneration - audit			3,600	3,600
Auditor's remuneration - non audit			1,800	2,424
Depreciation			14,836	12,903
Profit on sale of fixed assets			(1,500)	(2,500)

6. TRUSTEES' REMUNERATION AND BENEFITS

The trustees neither received nor waived any emoluments during this or last year.

The company paid £620 (2013: £1,517) during the year for trustees' professional indemnity insurance.

During the year expenses of £Nil were reimbursed to a trustee (2013: £Nil).

7. STAFF COSTS

	2014 £	2013 £
Wages and salaries	645,035	688,737
Social security costs	49,826	54,000
Other pension costs	22,008	16,669
	<u>716,869</u>	<u>759,406</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Charitable activities	<u>38</u>	<u>45</u>

No employee received emoluments greater than £60,000 during the year.

SOLDEN HILL HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2013	1,070,682	387,785	54,904	9,084	1,522,455
Additions	-	-	19,785	-	19,785
Disposals	-	-	(15,713)	-	(15,713)
<u>At 31 March 2014</u>	<u>1,070,682</u>	<u>387,785</u>	<u>58,976</u>	<u>9,084</u>	<u>1,526,527</u>
DEPRECIATION					
At 1 April 2013	-	359,896	37,199	9,084	406,179
Charge for year	-	7,517	7,319	-	14,836
Withdrawn on disposal	-	-	(15,713)	-	(15,713)
<u>At 31 March 2014</u>	<u>-</u>	<u>367,413</u>	<u>28,805</u>	<u>9,084</u>	<u>405,302</u>
NET BOOK VALUE					
<u>At 31 March 2014</u>	<u>1,070,682</u>	<u>20,372</u>	<u>30,171</u>	<u>-</u>	<u>1,121,225</u>
<u>At 31 March 2013</u>	<u>1,070,682</u>	<u>27,889</u>	<u>17,705</u>	<u>-</u>	<u>1,116,276</u>

The market value of the land and buildings was £1,969,726 higher than the carrying value (2013: £1,969,726.) Capital expenditure contracted for but not provided for in the financial statements was £Nil (2013: £Nil).

9. FIXED ASSET INVESTMENTS

Listed investments held to provide a return:

	UK £	International £	Total £
Cost as at 1 April 2013	33,933	134,773	168,706
Additions	-	159,593	159,593
Disposals	-	(109,634)	(109,634)
<u>Cost as at 31 March 2014</u>	<u>30,933</u>	<u>184,732</u>	<u>218,665</u>
Market value as at 1 April 2013	36,783	142,854	179,637
Additions	-	159,593	159,593
Disposals	-	(109,634)	(109,634)
Gain on revaluation	<u>1,101</u>	<u>(13,563)</u>	<u>(12,462)</u>
<u>Market value as at 31 March 2014</u>	<u>37,884</u>	<u>179,250</u>	<u>217,134</u>

10. STOCKS

	2014 £	2013 £
<u>Stocks</u>	<u>5,000</u>	<u>8,248</u>

SOLDEN HILL HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade debtors	37,262	99,764
Other debtors	32,404	34,374
	<u>69,666</u>	<u>134,138</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Bank loans and overdrafts	5,048	10,516
Trade creditors	35,248	39,265
Taxation and social security	18,493	13,935
Other creditors	20,606	18,468
	<u>79,395</u>	<u>82,184</u>

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2014	2013
	£	£
Expiring:		
Expires within one year	-	1,813
Expires between one and five years	4,806	3,240
Expires over five years	-	-
	<u>4,806</u>	<u>5,053</u>

14. PENSION COMMITMENTS

The company participates in a funded defined benefit pension scheme, providing benefits based on final pensionable earning which is the basic salary. The scheme has equal pension rights with respect to members of either sex. The assets of the scheme are held in separate trustee administered (multi-employer) fund. The assets and liabilities of the fund are not wholly attributable to the company, as the fund includes the pensions of employees of other participating organisations. The employer is unable to identify its share of the underlying assets and liabilities on a consistent basis. The company is exposed to actuarial risks associated with the current and former employees of other entities and contributions are set at a common level for all participant organisations and thus does not reflect the characteristics of the workforce of the various employers.

The most recent formal actuarial valuation was undertaken by an independent professionally qualified actuary as at 31 March 2010 using the attained age method. The principal assumption which have the most significant effect on the computation of the pension costs are those related to the rate of return on the investments (assumed to be 4.8% post retirement and 6.0% pre retirement) and the rates of increase in earnings and pensions (assumed to be 3.55% and 2.85% respectively). These assumptions have been derived from the market yields applying at the valuation date. In particular, the investment return used related to pre-retirement liabilities was 2.65 percentage points per annum in excess of the assumed rate of increase in earnings.

At 31 March 2010 the actuarial value of the scheme assets was £11,982,000 compared to actuarial liabilities of £20,968,000. The company's share of the total fund shortfall has not been recognised in the accounts as it is not possible to calculate the company's share of the deficit.

SOLDEN HILL HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014
REGISTERED COMPANY NUMBER: 541304 (England and Wales)**

14. PENSION COMMITMENTS (continued)

The funding position had been last updated as at 31 March 2011 and showed a total fund shortfall of £9,054,000.

A recovery plan has been put in place to eliminate the shortfall which requires the employers to make contributions at the rate of £752,188 per annum increasing at each 1 April by 5% compound, for a period of 17 years from 1 January 2012 to 31 December 2029.

Solden Hill House Limited's share of the contribution for 2014 is £35,795 (2013: £35,693). As stated above, it is not possible to identify the company's share of the shortfall.

The Scheme is subject to legal review at present and due to this no later valuation has been carried out. The above information is based on current available information.

As the defined benefit pension scheme is now closed to new employees the company has started a defined contribution pension scheme. Employer contributions made during the year were £22,008 (2013: £16,669) and contributions outstanding at the year end were £1,740 (2013: £1,658).

15. MOVEMENT IN FUNDS

	At 1/4/13	Net movement in funds	At 31/3/14
	£	£	£
Unrestricted funds			
General Fund	820,780	(48,984)	771,796
Designated funds			
Minibus Fund	-	-	-
	820,780	(48,984)	771,796
Restricted funds			
Apps House Fund	416,389	-	416,389
Giles House Fund	72,396	-	72,396
Innes House Fund	147,655	-	147,655
Pottery Fund	14,544	-	14,544
F J Apps Training Fund	34,522	(1,054)	33,468
Generator	3,758	(1,098)	2,660
Welfare Fund	6,213	175	6,388
	695,477	(1,977)	693,500
TOTAL FUNDS	1,516,257	(50,961)	1,465,296

SOLDEN HILL HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014
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15. MOVEMENT IN FUNDS (continued)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	Movement in funds £
Unrestricted funds					
General Fund	1,082,706	(1,122,907)	(8,783)	-	(48,984)
Restricted funds					
F J Apps Training Fund	1,166	-	(2,220)	-	(1,054)
Generator Fund	-	(1,098)	-	-	(1,098)
Welfare Fund	175	-	-	-	175
TOTAL FUNDS	<u>1,084,047</u>	<u>(1,124,005)</u>	<u>(11,003)</u>	<u>-</u>	<u>(50,961)</u>

The General Fund represents the free funds which have not been designated for particular purposes.

The Apps House Fund (formally the "New Building Funds 1986/1987") was set up in 1986 by way of donations specifically for the building and furnishing of a new residential block to house 11 residents, thus enabling the greater use of single accommodation in both main houses. The new house was called Apps House.

The Giles House Fund was set up in 1991 as the result of donations received in memory of a deceased resident, at the request of his family. The aim of the project was to renovate the old disused pottery for use as a three-bedroom staff house.

The Innes House Fund was set up in 1994 to receive donations for the extension of Flora Innes House following an appeal to parents and friends. The extension provided single accommodation for all residents in the house. The fund also provided for the purchase of a house in Fairbrother Close to provide temporary accommodation for those residents who were displaced while work was in progress at Innes House. The house in Fairbrother Close was sold in June 1999.

The Pottery fund was set up in 1991 as the result of a donation. A new pottery was set up in the lower level of Apps House to provide a permanent workshop for the use of residents.

The F J Apps Training Funds was established in March 1999 as the result of donations in memory of F J Apps, Principal of Solden Hill House, who died on 13 March 1999. This fund will provide funding for staff to attend anthroposophical based training courses.

The "Generator" fund was established by a donation of £13,000 received from the David Solomons Trust towards the cost of a generator to be installed on the main site.

The aim of the "Welfare fund" is to enable service users who experience financial hardship to be able to access funding to use for their personal benefit for whatever purpose is considered appropriate, e.g outings, holidays etc. An initial donation of £500 was received in year ending 31 March 2008. Further donations will be encouraged and promoted.

SOLDEN HILL HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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16. ULTIMATE PARENT COMPANY

The Trustees have overall control of the Company.

17. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
Ordinary share of £1 each	<u>19</u>	<u>19</u>