

Solo Housing (East Anglia) Limited

(A Company Limited by Guarantee)

Company Number: 03266905

Charity Number: 01068017

Homes and Communities Agency No: 4696

Audited Financial Statements

For the year ended 31 March 2016

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Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Year ended 31 March 2016

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Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)
Year ended 31 March 2016

The Executive Committee submit their annual Report and Financial Statements for the year ended 31 March 2016

Members of the Board and Professional Advisors

Charity Name	Solo Housing (East Anglia) Limited
Company Number	03266905
Charity Number	01068017
Homes and Communities Agency Registration Number	4696
Executive Committee (Trustees)	S Hanlin (Chairperson) M Black (Secretary) G Brown D Clarke P L Davey (Vice Chairperson) G P Dearden (Treasurer) J Dell K Hounsome D Sice D Todd G Webster (appointed 17 November 2015, resigned 17 February 2016)
Registered Office/Principal Office	12A St Nicholas Street Diss Norfolk IP22 3LB
Chief Executive	J Durrant
Auditor	Lovewell Blake LLP Chartered Accountants & Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
Bankers	Lloyds Bank plc 3 Market Hill Diss Norfolk IP22 3JZ

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)
Report of the Executive Committee for the year ended 31 March 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members and professional advisors on Page 1 of the Financial Statements

PRINCIPAL ACTIVITIES

There are two principal activities of the organisation Supported Housing within Solo's hostel and other supported housing located in Norfolk and Suffolk, and a Lodgings Service in Norfolk and Suffolk for single homeless people, where we match homeless people to people who wish to rent out a room in their home All of our service users were homeless or under threat of homelessness and many have slept rough or were sofa surfers Solo provides support to residents through key working, resettlement into permanent accommodation and homelessness prevention services

STRUCTURE

Solo Housing registered as a Registered Provider on 5th March 2012, however the Charity itself was established in 1985, and the Charity became a Company Limited by Guarantee in 1996 It is governed by a Memorandum and Articles of Association

REVIEW OF THE BUSINESS

The Lodgings Scheme

Most single people are unable to access social housing and many find difficulty in finding rented accommodation in the private sector because it is unaffordable for them This is particularly true for those under 35 who are unemployed, because their housing benefit will only pay the single room rate This means that for many people, lodgings are the only option for them From a landlord perspective, renting out a room has several advantages Under current rules, it can provide a tax free income, a lodger can provide companionship, it helps some people fulfil a need to provide help to someone in need, and for those affected by the spare room subsidy or mortgage arrears, it may enable them to remain in their home

The table below shows the statistics over the past two years of the scheme, where the scheme operated in South Norfolk, Suffolk Coastal and Waveney District councils There was a fall in the number of applicants, which decreased from 201 to 177 The numbers of applicants placed has also reduced from 57 to 33 The percentage of applicants placed has decreased from 28% to 19% and the percentage of offers (those placed plus those offer accommodation but who rejected it) has decreased from 38% to 32%

Year	2014-15	2015-16
No of Applicants	201	177
No Placed/%	57/28%	33/19%
Total offers/%	76/38%	58/32%
% Unemployed	71%	66%
% under 35	67%	54%

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The percentage of unemployed people applying to the scheme has fallen to 66% from 71%, the same as the level back in 2008. The majority of people who apply to us are under 35 years old. This year there has been a reduction in the percentage of this group who have applied to us from 67% to 54%.

The fall in performance is due to a staff on long term sick leave. We are pleased that South Norfolk, Suffolk Coastal and Waveney District Councils have continued to commission the service from us for 2016-17.

Supported Housing

Our supported housing covers the rural market towns of South Norfolk and Breckland in Norfolk and in Suffolk we cover Sudbury and Stowmarket. We have a dispersed hostel in Diss which has 19 units of accommodation (a combination of hostel, shared house and self-contained flats). We also have lower support shared and self-contained flats and houses in Norfolk and Suffolk (36 and 33 units respectively) where we regularly visit our tenants who work towards achieving mutually agreed outcomes. All of our services are aimed at enabling residents to obtain the skills necessary to sustain themselves when they move on into permanent accommodation.

The table below shows the statistics for 2014-15 and 2015-16

Year	2014-15	2015-16
No. of Applicants	688	632
No. Admissions%	39/5%	22/3%
Total no. moved	49	26
Positive moves/%	32/65%	16/61%

The Suffolk referral system continues to make very large numbers of referrals to us, most of which are inappropriate. In Norfolk we had 163 referrals compared to 469 in Suffolk. The number of admissions has decreased this year from 39 to 22. The percentage of referrals housed has fallen to 3%. If Norfolk is considered separately from Suffolk this figure is 9%. This year we moved on 16 residents positively, which was 61% of those leaving us. This compares with last year when the figure was 32 people moving on positively, 65% of the total leaving. Fewer people moved into and out of the organisation for a number of reasons. In part because we are accepting people with higher needs and it takes longer for them to prepare for independent living. Also the supply of move-on accommodation is much less now, due to people in social housing downsizing, which reduces the supply of single units. We employed a number of agency staff to cover vacant posts whilst tendering for the Norfolk Visiting Support Service and this impacted negatively. We now have a full complement of permanent staff in this team.

We continue to provide two of our residents with longer term support, because they have enduring needs. Rather than move them on into fully independent accommodation, we are continuing to provide them with accommodation and services as and when they need them.

Over the year we supported a number of residents in employment, apprenticeships, training, study or volunteering as shown in the table below.

	Employment/apprenticeships	Training/Study	Volunteering
Old Post Office	5	3	8
NVS	17	5	6
SVS	8	0	3
Total	30	8	17

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Report of the Executive Committee for the year ended 31 March 2016

During the year both our contract with Norfolk and Suffolk County Councils were tendered out. In Norfolk, we were awarded an eighteen month contract with the strong probability of an extension for another eighteen months. We were expecting large cuts in funding from Norfolk, but after a successful countywide campaign from providers, our contract income remains unaffected. In Suffolk, after a tendering process we were successful in being appointed onto their Framework Agreement and we will be bidding to provide services in September 2016. During the run up to the tendering, we participated in the design of future services.

Total void levels have increased since last year to 8.7% compared to 7.8% in the previous year. Arrears (excluding housing benefit) before bad debt write offs were £63,339 compared to last year's figure of £50,708. After bad debt write off this figure has reduced to £35,809. As with most housing providers we are experiencing growth in rent arrears. Much of the arrears are owed by a few residents who are working or worked whilst they were with Solo. It proves very difficult to collect rent from working residents if they wish to avoid us, and arrears rapidly accrue. Although we have engaged a debt collection agency to chase payments from those residents who have left with large levels of debt, they were unsuccessful. We now have a post holder within Solo, part of whose role is to address individual resident's debt separately from the work that Support Workers undertake in this area. With this dual approach we hope to be able to reduce overall arrears.

Income of £1,138,298 was 1.2% higher than last year. We operated at a surplus of £80,253. At the year end we owned or managed 84 bed spaces, a decrease of four units from the previous year.

Fundraising was not particularly successful during the year, partly because of the number of charities competing for a limited pot of funding, and partly because our turnover has risen to over £1m. Our own fundraising produced £1,811 during the year compared to £12,982 in the previous year. Our fundraiser Zena Fisher also left to take up a full time post and the Executive Committee took a decision not to replace her in this role until the organisation has a clear position on how it wishes to raise funds. At a time when statutory funding is being cut, this continued support from donors is greatly appreciated.

CORPORATE GOVERNANCE

As an Executive Committee we have adopted the National Housing Federation's Code of Governance and Code of Conduct for Staff, Executive Committee Members and Interested Residents. We continue to monitor ourselves against these.

The Executive Committee continually assesses the organisation's performance in the seven key standards identified in the HCA's Regulatory Framework, namely Tenant Involvement and Empowerment, Home, Tenancy, Neighbourhood and Community (the Consumer Standards), and Value for Money, Governance and Financial Viability, Rent (the Economic Standards).

Recruitment, Appointment and Induction of Trustees

Invitations are extended from time to time to suitable men and women to become Trustees, following consultation with the existing body of Trustees. Once suitable candidates have been identified they are invited as an observer at a Committee meeting and are provided with an induction pack. Upon appointment Trustees attend a meeting with the Chief Executive and visit at least one project to familiarise themselves with the workings of the charity. The Executive Committee is keen to expand its membership of the organisation and to this end has approved a Membership Policy during the year.

**Solo Housing (East Anglia) Limited
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Report of the Executive Committee for the year ended 31 March 2016**

Composition and Role of the Executive Committee

The ten Members at the date of this report are listed on page 1. During the year the Executive Committee met on six occasions. It has agreed terms of reference and a schedule of significant matters reserved for its decision, which includes approval of the business plan, the allocation of financial resources, acquisitions and disposals, annual budgets, senior executive appointments, treasury policy and risk management. The Committee have agreed a role description for the Chair. Responsibility for the Organisation's day to day operations is delegated to the Chief Executive.

Gillian Webster joined the Executive Committee at the AGM, left the Committee on 17th February due to personal circumstances and we thank her for her service. We hope to appoint another prospective new member of the Executive Committee at the AGM in November 2016.

Administration and Accounts

The Central Staff Team consisted of Beverley McRickus, the Admin and Accounts Manager, Lesley Higgs PA to the CEO and Committee Clerk, Zena Fisher (left on 31/03/16), Fundraiser and Janette Fearn and Ella Moss, our Admin Workers.

Public Benefit

The Executive Committee have paid due regard to the Charity Commission guidance on public benefit.

'The objects for which the Organisation is established are to relieve need, hardship and distress amongst persons who are homeless and single in East Anglia and to provide social housing to such persons who are without suitable accommodation.'

The Trustees are confident that Solo Housing's objectives are being met.

INTERNAL CONTROL ASSURANCE

The Executive Committee has overall responsibility for establishing and overseeing a framework of delegation and the system of internal control and for reviewing its effectiveness in line with the organisation's corporate code of governance.

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

Much of the scrutiny of the organisation's internal controls is undertaken by the Finance and Audit Committee. This has terms of reference approved by the Executive Committee. During the course of the year a Task Group set up by the FAC reviewed the rent setting, collection and arrears management within the organisation. There was also a review of core rents and service charges to ensure that the allocation of these charges was appropriate. The FAC also considered a stress test, an asset and liability register and an impairment review of owned properties.

The full implementation of the new rent accounting system has now taken place and will be operational throughout 2016-17. We are operating the existing rent accounting system in parallel to the new system to mitigate against the risk of the new system failing. A new Finance and Admin Worker has started, whose role is to support the Finance and Admin Manager in keeping the rent and financial accounts up to date.

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Report of the Executive Committee for the year ended 31 March 2016

The process adopted by the Executive Committee in reviewing the effectiveness of the system of internal control and fraud management together with some of the key elements of the control framework includes

- **Risk Management**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a format and ongoing process of management review in each area of the organisation's activities. The senior management team consider significant risks facing the organisation and look to ways to mitigate these. The Chief Executive is responsible for reporting to the Executive Committee any significant changes affecting key risks. The Risk Management Plan is reviewed and presented to the Executive Committee each March. The Executive Committee have assessed the risk associated with the Chancellor's plans for an annual 1% reduction in rent over four years, capping total rent to Local Housing Allowance (LHA) levels and stress testing the business, taking these and the potential for changes concerning our current housing related support contracts into consideration. Some of the risk potential has been ameliorated by the Government exempting Supported Housing from the first year of rent reductions, and indefinitely from capping rent to LHA levels, until a permanent funding system for supported housing is introduced.

- **Monitoring and corrective action**

A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Executive Committee. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- **Control environment and control procedures**

The Executive Committee retains responsibility for a defined range of issues covering strategic, operational, financial and compliance matters including new investment projects. The Executive Committee has adopted the National Housing Federation's Code of Conduct. This also applies to Involved Residents and staff. It sets out the organisation's requirements with regard to the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, health and safety, data protection, confidentiality and whistleblowing. The Executive Committee have amended the Code of Conduct to include reporting to the Committee when an approach is made to a Member of the Committee or CEO concerning a partnership, merger or takeover by another organisation.

During the year the Executive Committee completed a review of policies and procedures used within the organisation. These included the Cash Handling and Cash Banking Procedure, the Procedure for the Purchasing, Ordering and Receipt of Goods, the Reserves Policy, Policy on Investments, the Business Continuity Plan.

- **Information and financial reporting systems**

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Executive Committee. The Executive Committee also reviews key performance indicators at each meeting to assess progress towards the achievement of key business objectives, targets and outcomes. One of the key standing orders of the Finance and Audit Committee is to regularly review the internal control framework and the risk management process.

The Executive Committee confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the organisation. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Executive Committee.

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Report of the Executive Committee for the year ended 31 March 2016

- **Fraud prevention and detection**

The Executive Committee has approved whistle blowing procedures for residents, service users and staff that have been communicated to all staff and service users. Where fraud is attempted, suspected or discovered, there is an anti-fraud and corruption policy in place to guide any investigation and report the findings. A detailed record of all reported losses and compensation (resulting from fraud or not) is maintained, the effects financial or otherwise and the implications for the system of internal control are recorded and reported to the Executive Committee quarterly.

PRINCIPAL FUNDING SOURCES

Income includes housing benefit, rental income, grants and donations

The organisation is greatly appreciative of the funding it receives from a number of sources. The main sources of grants and donations during the year were

	£
SUPPORTING PEOPLE - NORFOLK	
OLD POST OFFICE	94,042
NORFOLK VISITING SUPPORT	87,377
HOUSING RELATED SUPPORT - SUFFOLK	105,788
SOUTH NORFOLK COUNCIL	23,000
WAVENEY DISTRICT COUNCIL	16,000
SUFFOLK COASTAL COUNCIL	9,000
DONATIONS	
NCF GRANT PAYMENT (Warm & Well Fund)	950
GILLIAN BROWN	480
R & JMG PAGAN	120
A COGGLES	81
P ELKINS	27
A HARRISON	25
J DURRANT	24
B COLEMAN	20
B McRICKUS	20
H GOLDSMITH	12
S PEARSE	12
B BISHOP	10
L HIGGS	5
ANONYMOUS DONATIONS	25

Solo Housing (East Anglia) Limited
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Report of the Executive Committee for the year ended 31 March 2016

RESERVES

All surpluses generated by the Company have been transferred to reserves, it is Solo Housing's policy to maintain unrestricted reserves sufficient to sustain three month's budgeted running costs, being £267,570. We have made substantial progress towards achieving this policy. As at 31 March 2016 net current assets had increased to £194,931 from £134,165 last year, with £185,693 being free reserves. We will continue to build our current assets over the next few years in order to comply with the above policy.

EMPLOYEES

Solo Housing is committed to providing equal employment opportunities to disabled, ethnic minority and part time workers. The organisation recognises that all employees should be appropriately trained to enable them to fulfil their responsibilities whatever their role in the organisation. The organisation has a comprehensive Health and Safety policy, reviewed in November 2013 and detailed procedures which are communicated to all staff. We have contracted with Peninsula Business Services to provide us with up to date information and advice on human resources and health and safety to ensure that we are fully compliant with legislation.

INVESTMENTS

It is Solo Housing's policy to ensure that all funds are in interest bearing low risk accounts. It will endeavour to secure interest revenue that meets budgetary expectations.

PLANS FOR FUTURE PERIODS

Solo will continue to provide its current services for single homeless men and women through the work of the Lodgings and Supported Housing teams. In our Lodgings team we hope to expand the work to other areas that have expressed an interest in the service.

In our supported housing, we know that Suffolk will put their housing related support services (formerly supporting people) onto the market in September. Solo will bid for these services and possibly others if they fit our model of provision.

The Executive Committee have considered the use of the site at Victoria Road, Diss. Our long term plans to use the site to provide a workshop and training facility for residents and office accommodation for the NVS, Lodgings and Central staff are under review due to the uncertainties around the proposed changes to capping rents to LHA levels and core rent reduction. In the short-term we may use temporary modular units to provide training facilities on the site.

Solo continues to improve the level of maintenance it provides to its property. With the increased level of spend we need to ensure that we are obtaining value for money. Therefore, we will review our maintenance provision and consider whether it would be best for us if we were to have our own direct labour.

The majority of Solo's property is rented from private sector landlords. This gives us flexibility of where we locate our services, so that we can be responsive to levels of demand. The disadvantage of this is that the rent could pay for a mortgage which would increase the organisation's asset base. Funds permitting and where appropriate we will consider purchasing property rather than leasing for our supported housing. We may also consider purchasing to provide low cost move-on accommodation.

In August 2016 we purchased a block of eight flats in Diss that may be used as a combination of supported housing and low cost move-on accommodation.

**Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)
Report of the Executive Committee for the year ended 31 March 2016**

STATEMENT OF THE EXECUTIVE COMMITTEE'S FINANCIAL RESPONSIBILITIES

The Executive Committee (who are also directors of Solo Housing East Anglia for the purposes of company law) are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The Companies Act and registered social housing legislation require the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the organisation and of its income and expenditure for that period. In preparing the financial statements, the Executive Committee is required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business

The Executive Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2012. It has general responsibility for taking reasonable steps to safeguard the assets of the organisation and to prevent and detect fraud and other irregularities

In so far as the trustees are aware

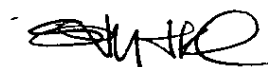
- there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

A resolution to reappoint Lovewell Blake LLP as auditor will be put to the Annual General Meeting

The Report of the Executive Committee has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Signed on behalf of the Executive Committee by



S Hanlin – Chairperson

Date 23-09-2016

**Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)
Auditors Report for the year ended 31 March 2016**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOLO HOUSING (EAST ANGLIA) LIMITED

We have audited the financial statements of Solo Housing (East Anglia) Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) [including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"]

The report is made solely to the housing organisation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the organisation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the organisation and the organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and the auditor

As explained more fully in the Statement of Executive Committee's Responsibilities set out on page 9, the Executive Committee (who are also the directors of the organisation for the purposes of 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 organisation's affairs as at 31 March 2016 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 requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015

Opinion on other matters prescribed by the Companies Act 2006

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

**Solo Housing (East Anglia) Limited
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Auditors Report for the year ended 31 March 2016**

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 board members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the members 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 Report of the Executive Committee and take advantage of the small companies' exemption from the requirement to prepare a strategic report

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion

- a satisfactory system of control over transactions has not been maintained

Lovewell Blake LLP
Mark Proctor FCA DChA (Senior Statutory Auditor)
For and on behalf of Lovewell Blake LLP, Statutory Auditor

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Date

30/09/16

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Statement of Comprehensive Income (including Income and Expenditure account)

Year ended 31 March 2016

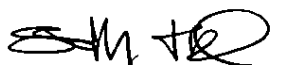
	Note	General Fund 2016	2015
		£	£
Turnover	3	1,138,298	1,124,418
Operating expenditure	4	(1,041,844)	(1,000,732)
Operating surplus	5	<u>96,454</u>	<u>123,686</u>
Interest and financing costs	6	<u>(16,201)</u>	<u>(16,469)</u>
Total comprehensive income for the year	5	<u><u>80,253</u></u>	<u><u>107,217</u></u>

There are no unrecognised gains or losses during the year other than as stated above

The statement of comprehensive income and expenditure account reflects the activity during the year which is of a continuing nature

Signed on behalf of the Executive Committee by

S Hanlin



K Hounsome



Date

23-09-2016

The notes on pages 16 to 28 form part of these financial statements

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Statement of Financial Position as at 31 March 2016

Company Registration Number 03266905

	Note	Total 2016	Total 2015 (restated)
		£	£
Fixed assets			
Tangible fixed assets	10	<u>949,807</u>	<u>955,496</u>
Current assets			
Trade and other debtors	11	70,780	64,624
Cash and cash equivalents		<u>178,721</u>	<u>124,210</u>
		249,501	188,834
Creditors Amounts falling due within one year	12	(54,570)	(54,669)
Net current assets		<u>194,931</u>	<u>134,165</u>
Total assets less current liabilities		1,144,738	1,089,661
Creditors Amounts falling due after more than one year	13	(277,972)	(303,148)
Total net assets		<u>866,766</u>	<u>786,513</u>
Reserves			
Income and expenditure reserve	14		
Revenue reserve		748,613	666,219
Designated reserve		16,400	16,400
Revaluation reserve	14	92,515	92,515
Restricted reserve	14	9,238	11,379
Total Reserves		<u>866,766</u>	<u>786,513</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the Executive Committee and are signed on their behalf by

S Hanlin



K Hounsome



Date

23-09-2016

The notes on pages 16 to 26 form part of these financial statements

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Statement of Changes in Reserves as at 31 March 2016

	Revaluation Reserves £	General Fund £	Designated Fund £	Restricted Funds £	Total £
At 1 April 2014 as previously started	279,241	464,697	-	12,738	756,676
Changes on transition to FRS 102 (note 16)	<u>(229,728)</u>	<u>229,728</u>	-	-	-
At 1 April 2014 as restated	49,513	694,425	-	12,738	756,676
Total comprehensive income	-	105,076	-	2,141	107,217
Revaluation of tangible fixed assets	(77,380)	-	-	-	(77,380)
Changes on transitions to FRS 102 (note 16)	120,382	(120,382)	-	-	-
Transfer between funds	-	<u>(12,900)</u>	<u>16,400</u>	<u>(3,500)</u>	-
At 31 March 2015 and 1 April 2015	92,515	666,219	16,400	11,379	786,513
Surplus/(deficit) for the year	-	82,577	-	(2,324)	80,253
Transfer between funds	-	<u>(183)</u>	-	<u>183</u>	-
At 31 March 2016	<u>92,515</u>	<u>748,613</u>	<u>16,400</u>	<u>9,238</u>	<u>866,766</u>

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Statement of Cashflows as at 31 March 2016

		2016	2015
	Note	£	£
Net cash generated from operating activities	15	95,320	91,814
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	<u>(14,079)</u>
Net cash flow from investing activities		-	<u>(14,079)</u>
Cash flow from financing activities			
Loan repayments		(24,608)	(22,796)
Interest paid		<u>(16,201)</u>	<u>(16,469)</u>
Net cash flow from financing activities		<u>(40,809)</u>	<u>(39,265)</u>
Net increase in cash equivalents		<u>54,511</u>	<u>38,470</u>
Cash and cash equivalents at 1 April 2015		<u>124,210</u>	<u>85,740</u>
Cash and cash equivalents at 31 March 2016		<u>178,721</u>	<u>124,210</u>

**Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)**

**Notes to the Accounts
For the year ended 31 March 2016**

1 Accounting Policies

(a) Basis of Accounting

Solo Housing (East Anglia) Limited is a Company Limited by Guarantee, a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the RP information on page 1 of these financial statements. The nature of the RP's operations and principal activities are to provide support to residents through key working, resettlement into permanent accommodation and homelessness prevention services.

The RP constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the RP, and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The RP adopted the SORP in the current year and an explanation of how transition to the SORP has affected the reported financial position and performance is given in note 16.

(b) Fund Accounting

The Revenue Reserve consists of unrestricted funds which are available for use at the discretion of the trustees for the objectives of the Charity.

The Designated Reserve consists of funds designated by the trustees for a particular purpose.

The Restricted Reserve consists of funds that the Charity has been provided with for a particular purpose and it is the policy of the trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

(c) Turnover

Donations are included in the year in which they are receivable, which is when the organisation becomes entitled to the resource.

Grants in respect of revenue expenditure are credited to the Income and Expenditure account on a receivable basis. Grants received in advance of the period to which they relate are shown within the Balance Sheet as deferred income and released to the Income and Expenditure account in the appropriate year.

Rental and other income is recognised within the Income and Expenditure account on a receivable basis.

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts
For the year ended 31 March 2016

1 Accounting Policies (continued)

(d) Capital Grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

(e) Expenditure

Resources expended are charged in the Statement of Comprehensive Income on an accruals basis including VAT which cannot be recovered.

(f) Tangible Fixed Assets

Fixed assets costing more than £500 are capitalised and are included at cost, and are written off over their anticipated useful lives as follows:

Equipment	10% Reducing Balance
Computer Equipment	25% Straight Line

(g) Housing Properties

Housing Properties have been revalued at lower of the recoverable amount and replacement cost within the financial statements and will be revalued every 5 years, with an interim valuation during the 3rd year. The difference between the revalued amounts are transferred to/from the Revaluation Reserve in the Balance Sheet. Impairments in property values to below original cost are charged to the income and expenditure account.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

No depreciation is applied to the Housing Properties as they are subject to revaluation to market value every five years and thus any depreciation would be negligible.

(h) Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

(i) Pension Costs

The organisation operates a Defined Contribution Pension Scheme for employees. The assets of the scheme are held separately from those of the Company. The contributions payable are charged to the Income and Expenditure account as they fall due.

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts (continued)

For the year ended 31 March 2016

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered
Prepayments are valued at the amount prepaid net of any trade discounts due

(k) Cash at bank

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account

(l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

(m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts (continued)

For the year ended 31 March 2016

2 Turnover and Operating Surplus

	Turnover £	Operating Expenditure £	2016 Operating Surplus £	Turnover £	Operating Expenditure £	2015 Operating Surplus £
Supported housing lettings	1,138,298	(1,041,844)	96,454	1,124,418	(1,000,732)	123,686
	<u>1,138,298</u>	<u>(1,041,844)</u>	<u>96,454</u>	<u>1,124,418</u>	<u>(1,000,732)</u>	<u>123,686</u>

3 Turnover from lettings

	2016 £	2015 £
Donations	952	4,562
Grants receivable (including Housing Related Support Grant)	334,620	341,141
Housing benefit and rental income	801,825	778,040
Other income	901	675
	<u>1,138,298</u>	<u>1,124,418</u>

4 Operating costs from lettings

	2016 £	2015 £
Staff costs (note 9)	433,395	417,095
Rent - operating leases	291,920	287,937
Water, insurance, electricity and rates	75,028	85,254
Maintenance, repairs and furniture	106,333	102,461
Office costs	30,624	21,777
Travelling expenses	17,841	20,963
Professional fees	19,166	14,942
Depreciation	5,688	5,822
Bank charges	1,074	1,763
Other costs	30,595	28,380
Bad debt write off	30,180	14,338
	<u>1,041,844</u>	<u>1,000,732</u>

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts (continued)

For the year ended 31 March 2016

5 Surplus on Operating Activities

	2016	2015
	£	£
This is stated after charging		
Service charge and rental losses from bad debts	30,180	14,338
Staff pension contributions	27,930	28,956
Depreciation	5,688	6,000
Profit on disposal of fixed assets	-	(178)
Auditor's remuneration - Auditor's remuneration relating to current year	6,295	6,750
- Advisory services	342	900
Operating lease rentals	<u>291,920</u>	<u>287,937</u>

6 Interest Payable and Similar Charges

	2016	2015
	£	£
Interest on bank loans	14,802	15,070
Interest on other loans	<u>1,399</u>	<u>1,399</u>
	<u>16,201</u>	<u>16,469</u>

7 Taxation

The Company is a registered Charity qualifying for exemption from corporation and capital gains tax to the extent that its income is applied for its charitable purposes

8 Emoluments of Executive Officers

For the purposes of this note Executive Officers consist of the Executive Committee and the Chief Executive Officer

No Executive Committee members received any remuneration during the year A total of £Nil (2015 £122) was reimbursed to Nil (2015 2) Executive Committee members in the year These payments were for travel and office costs incurred

The remuneration paid to Executive Officers was as follows

	2016	2015
	£	£
Total emoluments (excluding pension contributions)	<u>51,120</u>	<u>50,275</u>

The Chief Executive is an ordinary member of the defined contribution pension scheme operated by the company, and no special arrangements are in place Solo Housing (East Anglia Limited) paid £3,067 (2015 £3,016) into the pension scheme on behalf of the Chief Executive Officer

A total of £4,224 (2015 £2,048) was reimbursed to the Chief Executive Officer during the year in respect of travel and office costs incurred

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts (continued)

For the year ended 31 March 2016

9 Staff costs

	2016	2015
	£	£
Wages and salaries	380,967	361,427
Social security costs	24,498	26,712
Other pension costs	27,930	28,956
	<u>433,395</u>	<u>417,095</u>

Particulars for employees

The average number of employees (full time equivalents) during the financial year were as follows

Number of administrative staff	5	5
Housing and support staff	<u>7</u>	<u>10</u>
Total	<u>12</u>	<u>15</u>

No employee received remuneration of more than £60,000 during the year (2015 Nil)

The company operates a defined contribution pension scheme. At the year end there is an amount included within creditors of £914 (2015 £331) owing to the scheme

Key management personnel remuneration amounted to £116,162 in respect of three employees

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts (continued)

For the year ended 31 March 2016

10 Fixed Assets

	Housing Properties (at cost or valuation) £	Other Fixed Assets/General Equipment (at cost) £	Total £
Cost/Valuation			
As at 1 April 2015 and 31 March 2016	<u>922,520</u>	<u>103,615</u>	<u>1,026,135</u>
Depreciation			
As at 1 April 2015	-	70,640	70,640
Charge for the year	-	<u>5,688</u>	<u>5,688</u>
As at 31 March 2016	-	<u>76,328</u>	<u>76,328</u>
Net book value after grants deducted			
As at 31 March 2016	<u>922,520</u>	<u>27,287</u>	<u>949,807</u>
As at 31 March 2015	<u>922,520</u>	<u>32,975</u>	<u>955,495</u>

The residential properties, all of which are held for letting, were valued externally by T W Gaze, Chartered Surveyors, during the year ended 31 March 2015 based on a 'rent-a-room' basis for two properties and replacement cost for two properties. Land at Victoria Road was also revalued, based on the value with lapsed planning approval. The properties will be revalued every 5 years, with an interim valuation during the 3rd year. As at 31 March 2016 the trustees are satisfied that the values were not substantially different to 31 March 2015.

If the properties were included at historical cost, the carrying value would be presented as

	2016 £	2015 £
Properties at historical cost	977,337	977,337
	<u>977,337</u>	<u>977,377</u>
Cumulative historical cost depreciation	(112,287)	(94,224)
Net book value	<u>865,050</u>	<u>883,113</u>

Solo Housing (East Anglia) Limited
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Notes to the Accounts (continued)

For the year ended 31 March 2016

11 Debtors

	2016	2015
	£	£
Debtors	60,083	62,362
Prepayments and accrued income	10,697	2,262
	<u>70,780</u>	<u>64,624</u>

12 Creditors Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	15,146	16,588
Accruals	6,295	6,750
Deferred income	2,245	708
Other creditors	17,000	17,000
Bank loans and overdrafts	6,775	6,192
Other taxes and social security	7,109	7,431
	<u>54,570</u>	<u>54,669</u>

The deferred income relates to grants received in the financial year which relate to 2016/17

	2016	2015
	£	£
Deferred income brought forward	708	6,694
Released during the year	(708)	(6,694)
Deferred during the year	<u>2,245</u>	<u>708</u>
Deferred income carried forward	<u>2,245</u>	<u>708</u>

The bank loans included within creditors falling due within one year of £6,775 are secured on housing property owned by the company

Other creditors includes an amount of £17,000 owed to K Hounsorne, an Executive Committee member, which is secured on housing property owned by the Company

Solo Housing (East Anglia) Limited
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Notes to the Accounts
For the year ended 31 March 2016

13 Creditors Amounts falling due after one year

	2016 £	2015 £
Other creditors	85,000	103,417
Bank loans and overdrafts	<u>192,972</u>	<u>199,731</u>
	<u>277,972</u>	<u>303,148</u>

The bank loans and other loan included within creditors falling due after more than one year are secured on housing property owned by the Company

Analysis of loans payable by instalments -

	2016 £	2015 £
In more than one year but not more than two years	119,085	23,775
In more than two years but not more than five years	64,041	161,501
In more than five years	<u>94,846</u>	<u>117,872</u>
	<u>277,972</u>	<u>303,148</u>

One bank loan is on a repayment basis repayable over 25 years and is secured on a housing property Interest is calculated at a fixed rate of 8.2% over 10 years

The second bank loan is on a repayment basis repayable over 20 years and is secured on a housing property Interest is calculated at a fixed rate of 6.25% over 20 years

The loan from K Hounsome is on a repayment basis repayable over 10 years Interest was calculated at 2.5% and was reduced to 1.5% from October 2013

14 Reserves

	Designated Reserve £	Revaluation Reserve £	Revenue Reserve £	Restricted Reserve £	Total £
As at 1 April 2015 (restated)	16,400	92,515	666,219	11,379	786,513
Surplus/(deficit)	-	-	82,577	(2,324)	80,253
Transfer	-	-	(183)	183	-
As at 31 March 2016	<u>16,400</u>	<u>92,515</u>	<u>748,613</u>	<u>9,238</u>	<u>866,766</u>

The designated reserve relates to a fund for renovating rental properties

The transfer from the revenue reserve to the restricted reserve relates to an overspend of the restricted reserve

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts

For the year ended 31 March 2016

14 Reserves (continued)

The restricted reserve consists of

	Balance at 1 April 2015	Income	Expenditure /transfers in year	Balance at 31 March 2016
Deposit guarantee	9,238	-	-	9,238
LB 150 Fund	1,017	-	(1,017)	-
Warm and Well Fund	224	950	(1,174)	-
Suffolk Community Foundation	900	-	(900)	-
	<u>11,379</u>	<u>950</u>	<u>(3,091)</u>	<u>9,238</u>

The Deposit Guarantee Reserve was set up to provide support to tenants for deposits and rents in advance when moving to private properties

Grants were received from the LB150 fund (via Norfolk Community Foundation) and the Suffolk Community Foundation towards the purchase of starter packs of household essentials for service users

The Warm and Well fund was set up during 2015 and related to grant received to assist tenants with utility bills over the winter months and finished during 2016

15 Reconciliation of operating surplus to cash flow from operating activities

	2016 £	2015 £
Surplus for the year	80,253	107,217
Depreciation on tangible fixed assets	5,688	6,000
(Increase) in trade and other debtors	(6,156)	(13,715)
(Decrease) in trade and other creditors	(666)	(23,979)
(Profit) on fixed asset disposals	-	(178)
Finance charges	16,201	16,469
	<u>95,320</u>	<u>91,814</u>

Solo Housing (East Anglia) Limited
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Notes to the Accounts

For the year ended 31 March 2016

16 First time adoption of SORP / FRS102

The company has adopted FRS 102 and SORP 2014 for the first time in the year ended 31 March 2016

The effect of transition from previous financial reporting framework to the new financial reporting framework is outlined below

a) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of the SORP were as follows

Capital donations which were previously offset against the project they helped finance have been recognised as income when the conditions of the donation were met

Housing Association grants towards capital projects which were previously offset against the cost of the project are now recognised under the performance model and released as income at the time the grants were donated

17 Analysis of net assets between funds

	Designated Reserve £	Revaluation Reserve £	Revenue Reserve £	Restricted Reserve £	Total £
Fixed assets	-	92,515	857,292	-	949,807
Net current assets	16,400	-	169,293	9,238	194,931
Long term liabilities	-	-	(277,972)	-	(277,972)
As at 31 March 2016	<u>16,400</u>	<u>92,515</u>	<u>748,613</u>	<u>9,238</u>	<u>866,766</u>

18 Accommodation in Management

	2016 Units	2015 Units
Supported housing	<u>84</u>	<u>95</u>

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts

For the year ended 31 March 2016

19 Commitments

The total future minimum lease payments under non-cancellable operating leases are as follows –

	2016 £	2015 £
Land and Buildings		
- Expiring within one year	24,878	26,870
- Expiring within two to five years	<u>100,185</u>	<u>105,426</u>
	<u>125,063</u>	<u>132,296</u>

20 Related Party Transactions

During the year a total of £5,040 (2015 £5,339) was paid to P L Davey, Executive Committee Member, in respect of rent

Other creditors includes a balance of £102,000 loaned by K Hounsome, an Executive Committee Member, on which interest is being charged at 1.5%. This loan is secured by a charge on housing property owned by the Company

During the year a total of £Nil (2015 £122) was paid to Nil Members (2015 two) for reimbursed expenditure

21 Members Liability

In the event of winding up the Charity, the Member's Liability is limited to £1 each

22 Legislative Provisions

The Organisation is a Registered Charity formed under the Companies Act 2006. Registered Charity number 01068017. The Organisation is registered with the Homes and Communications Agency and its Registered number is 4696

Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)

Notes to the Accounts

For the year ended 31 March 2016

23 Financial instruments

The carrying amounts of the charity's financial instruments are as follows

	2016	2015
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost		
- Trade debtors	60,083	62,362
- Accrued income	<u>8,138</u>	<u>-</u>
	<u>68,221</u>	<u>62,362</u>
Accrued income		
<i>Financial liabilities</i>		
Measured at amortised cost		
- Trade creditors	15,146	16,588
- Accruals	6,295	6,750
- Other creditors	<u>17,000</u>	<u>17,000</u>
	<u>38,441</u>	<u>40,338</u>