

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 2015

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

Year ended 31 March 2015

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Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)
Year ended 31 March 2015

The Executive Committee submit their annual Report and Financial Statements for the year ended 31 March 2015.

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 from 25 November 2014) D R Jones (Chairperson until 18 November 2014, resigned) A G Bailey (resigned 18 November 2014) M Black (Secretary) G Brown D Clarke P L Davey (Vice Chairperson) G P Dearden (Treasurer) J Dell (appointed 18 November 2014) K Hounsorne D Sice (appointed 18 November 2014) D Slyzuk (resigned 18 November 2014) D Todd (appointed 18 November 2014)
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
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Report of the Executive Committee for the year ended 31 March 2015

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, Suffolk and Colchester 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.

There continues to be high levels of demand for our Lodgings service. The table below shows the statistics over two years of the scheme. There was a fall in the number of applicants which decreased from 341 to 201. Some of the decline is explained by Colchester no longer being included in the statistics. The percentage of applicants placed has increased from 25% to 28% and the percentage of offers (those placed plus those offer accommodation but who rejected it) has increased from 33% to 38%.

Year	2013-14	2014-15
No. of Applicants	341	201
No. Placed/%	85/25%	57/28%
Total offers/%	113/33%	76/38%
% Unemployed	73%	71%
% under 35	65%	67%

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The percentage of unemployed people applying to the scheme remains relatively steady at around 70%. Back in 2008 this figure was 66%. The majority of people who apply to us are under 35 years old and the percentage of these remains remarkably constant at 67% for 2014-15 and in 2013-14 65%.

Although the service has not been commissioned in other areas, Greater Norwich has included a Lodgings Scheme in its Homelessness Prevention Strategy, underlining the importance of the scheme.

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 both 2013-14 and 2014-15.

Year	2013-14	2014-15
No. of Applicants	340	688
No. Admissions/%	62/18%	39/5%
Total no. moved on	45	49
Positive moves/%	32/71%	32/65%

There has been a very large increase in the number of referrals since last year. This is due to the centralised referral system in Suffolk and a large proportion of these referrals are inappropriate. Unfortunately the system as it is does not allow us to select more suitable applicants and creates a significant amount of work. The number of admissions has decreased this year from 62 to 39. The admissions as a percentage of referrals figure is clearly distorted by the large number of referrals from Suffolk. This year we moved on 32 residents positively, which was 65% of those leaving us. Last year the figure was again 32 people moving on positively, but this was 71% of the total leaving.

Two of our residents require 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.

In addition to our core activities, during 2014-15 a van was purchased mainly using donated funds and is successfully used in a donated furniture collection and delivery service for our residents, run by resident volunteers.

Total void levels have decreased since last year to 7.8% compared to 8.5% in the previous year. Arrears (excluding housing benefit) before bad debt write offs were £50,708 compared to last year's figure of £35,722. 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. We have engaged a debt collection agency to chase payments from those residents who have left with large levels of debt, but their efforts have been unsuccessful to date.

Income of £1,124,418 was 4.4% higher than last year. We operated at a surplus of £107,217. At the year end we owned or managed 88 bed spaces, a decrease of five units from the previous year.

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Report of the Executive Committee for the year ended 31 March 2015**

Our own fundraising produced £12,982 during the year compared to £14,684 in the previous year. 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.

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 five 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.

Alan Bailey, David Jones and Donia Slyzuk left the Committee in November and we thank them for their service over the years. John Dell, David Sice and David Todd joined the committee in November. We also hope to appoint another new member of the Executive Committee at the AGM in November 2015.

The Executive Committee reviewed its performance as a whole and that of its individual members in September 2013.

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, Fundraiser and Janette Fearn and Ella Moss, our Admin Workers.

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Report of the Executive Committee for the year ended 31 March 2015

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 oversight of the organisation's internal controls is undertaken by the Finance and Audit Committee. This has terms of reference approved by the Executive Committee. It reviewed the accounting and financial reporting arrangements of the organisation in 2013 and is currently reviewing rent collection and arrears management systems.

During the year a new system of electronic payment was introduced that requires two independent authorisers. The implementation of the new rent accounting system has been delayed beyond the expected April 2015 date and we now have a revised date of end of September. In the meantime the existing rent accounting system is still fully operational.

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 will be assessing the risk associated with the Chancellor's plans for an annual 1% reduction in rent over four years and stress testing the business, taking rent reductions and the potential for changes concerning our current housing related support contracts into consideration.

- **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.

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Report of the Executive Committee for the year ended 31 March 2015**

- 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.

- 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.

- 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.

Solo Housing (East Anglia) Limited
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Report of the Executive Committee for the year ended 31 March 2015

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	93,130
NORFOLK VISITING SUPPORT	86,493
SUPPORTING PEOPLE - SUFFOLK	105,786
SOUTH NORFOLK COUNCIL	23,000
WAVENEY DISTRICT COUNCIL	15,000
SUFFOLK COASTAL COUNCIL	8,500
DONATIONS:	
ESSEX COUNTY FIRE & RESCUE SERVICE	2,245
SOUTER CHARITABLE TRUST	2,000
THE ALBERT HUNT TRUST	2,000
THE BEATRICE LAING TRUST	2,000
NCF	1,500
THE RANK FOUNDATION	1,000
SCF	950
WAITROSE	405
GILLIAN BROWN	260
THE MARSH CHRISTIAN TRUST	250
R & JMG PAGAN	120
SLIMMING WORLD	50
MRS H GOLDSMITH	47
PAUL DAVEY	10
ANONYMOUS DONATIONS	145

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Report of the Executive Committee for the year ended 31 March 2015

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 £277,627. Last year we had started to rebuild our reserves, due to investment in Fairley House in the previous year, and we had net current assets of £58,412. As at 31 March 2015 net current assets had increased to £134,165, with £122,786 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.

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. If we can overcome the problems with housing benefit agreeing to pay higher levels of rent in our accommodation for single fathers then we may be able to expand this model.

In our supported housing, we know that both Norfolk and Suffolk counties will put their housing related support services (formerly supporting people) onto the market this Autumn. 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 and long term we intend to use the site to provide a workshop and training facility for residents and office accommodation for the NVS, Lodgings and Central staff. South Norfolk Planning have looked at our proposals in detail and would support our application for planning approval and we intend to apply for this during the year 2015-16.

The organisation is keen to diversify its activities in order to generate income from other sources in addition to that obtained from local government. In order to achieve this the Executive Committee will be considering various social enterprise models and assessing them for suitability.

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.

Solo Housing (East Anglia) Limited
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Report of the Executive Committee for the year ended 31 March 2015

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:

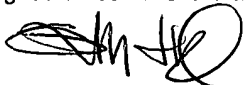
- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

15/09/2015
Date:

**Solo Housing (East Anglia) Limited
(A Company Limited by Guarantee)
Auditors Report for the year ended 31 March 2015**

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 2015 which comprise the Income and Expenditure Account, the Balance Sheet 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).

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 2015 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 2012.

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 2015

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 ACA 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: 23/9/15

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

Income and Expenditure Account

Year ended 31 March 2015

	Note	2015	2014
		£	£
Turnover	2	1,124,418	1,076,686
Less: Operating costs	2	(1,000,732)	(920,036)
Operating surplus	3	123,686	156,650
Interest payable and similar charges	4	<u>(16,469)</u>	<u>(17,693)</u>
Surplus for the year	3	<u>107,217</u>	<u>138,957</u>

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

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

The notes on pages 15 to 24 form part of these financial statements.

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Note of Historical Cost Surpluses and Deficits

Year ended 31 March 2015

	2015	2014
	£	£
Reported surplus on ordinary activities	107,217	138,957
Less: Historical cost depreciation charge	<u>(13,326)</u>	<u>(13,326)</u>
Historical surplus on ordinary activities	<u>93,891</u>	<u>125,631</u>

The notes on pages 15 to 24 form part of these financial statements.

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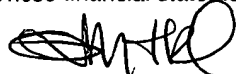
Balance Sheet as at 31 March 2015

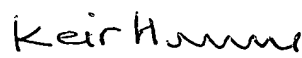
Company Registration Number: 03266905

	Note	Total 2015 £	Total 2014 £
Fixed Assets			
Housing properties	8	922,520	999,901
Other fixed assets	8	32,976	24,718
		<u>955,496</u>	<u>1,024,619</u>
Current Assets			
Debtors	9	64,624	50,909
Cash at bank and in hand		<u>124,210</u>	<u>85,740</u>
		188,834	136,649
Creditors: Amounts falling due within one year	10	(54,669)	(78,237)
Net Current Assets		<u>134,165</u>	<u>58,412</u>
Total Assets Less Current Liabilities		1,089,661	1,083,031
Creditors: Amounts falling due after more than one year	11	(303,148)	(326,355)
Net Assets		<u>786,513</u>	<u>756,676</u>
Funds			
Revaluation reserve	12	201,861	279,241
Revenue reserve	12	556,873	464,697
Designated reserve	12	16,400	-
Restricted reserve	12	11,379	12,738
		<u>786,513</u>	<u>756,676</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 Hounsomer

Date: 15-09-2015

The notes on pages 15 to 24 form part of these financial statements.

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

Notes to the Accounts

For the year ended 31 March 2015

1 Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards, the Statement of Recommended Practice: Accounting by Registered Social Housing Providers (Update 2010) and with the Accounting Direction for private registered providers of social housing in England 2012. The accounts are prepared in accordance with the historical cost basis of accounting except as modified by the revaluation of Housing Properties.

(b) Cash Flow Statement

Exemption has been taken from preparing a cash flow statement on the grounds that the organisation qualifies as a small undertaking under FRS1.

(c) 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.

(d) 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.

(e) Capital Grants

Where purchase of properties have been financed wholly or partly by Social Housing Grants or other capital grants the amount received in respect of housing properties is deducted from the total cost. This contravenes SSAP 4 – Accounting for Government Grants and the Companies Act, but such treatment is necessary for compliance with the SORP and to give a true and fair view. Where purchase of other fixed assets have been financed wholly or partly by other grants the amount received in respect of the assets is deducted from the total cost,

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

For the year ended 31 March 2015

1 Accounting Policies (continued)

(f) Expenditure

Resources expended are charged in the Income and Expenditure account on an accruals basis including VAT which cannot be recovered.

(g) 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

Grants and donations receivable which are to be used for the purpose of acquiring fixed assets are offset against the cost of the asset and depreciated over the life of the asset.

(h) 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.

(i) Leases

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

(j) 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.

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Notes to the Accounts (continued)

For the year ended 31 March 2015

2 Turnover and Operating Surplus

	Turnover	2015 Operating Costs	Operating Surplus	Turnover	2014 Operating Costs	Operating Surplus
	£	£	£	£	£	£
Supported housing lettings	1,124,418	(1,000,732)	123,686	1,076,686	(920,036)	156,650
	<u>1,124,418</u>	<u>(1,000,732)</u>	<u>123,686</u>	<u>1,076,686</u>	<u>(920,036)</u>	<u>156,650</u>

Particulars of income and expenditure from supported housing lettings-

	2015 £	2014 £
Income -		
Housing benefit and rental income	778,040	696,502
Grants receivable (including Housing Related Support Grant)	341,141	373,676
Donations	4,562	4,720
Other income	675	1,788
	<u>1,124,418</u>	<u>1,076,686</u>
Expenditure -		
Wages and salaries (note 7)	417,095	401,588
Rent – operating leases	287,937	252,742
Water, insurance, electricity and rates	85,254	84,852
Maintenance, repairs and furniture	102,461	71,725
Office costs	21,777	23,580
Travelling expenses	20,963	22,499
Professional fees	14,942	21,097
Depreciation and (profit)/loss on disposal	5,822	6,224
Bank charges	1,763	1,622
Other costs	28,380	25,792
Bad debt write off	14,338	8,315
	<u>1,000,732</u>	<u>920,036</u>
Operating surplus on supported housing lettings	<u>123,686</u>	<u>156,650</u>
Rent losses from voids	<u>(68,165)</u>	<u>(65,205)</u>

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

For the year ended 31 March 2015

3 Surplus on Operating Activities

	2015	2014
	£	£
This is stated after charging		
Service charge and rental losses from bad debts	14,338	8,315
Staff pension contributions	28,956	19,784
Depreciation	6,000	6,224
Profit on disposal of fixed assets	(178)	-
Auditor's remuneration - Auditor's remuneration relating to current year	6,750	6,552
- Advisory services	900	4,020
Operating lease rentals	<u>287,937</u>	<u>252,742</u>

4 Interest Payable and Similar Charges

	2015	2014
	£	£
Interest on loans	<u>16,469</u>	<u>17,693</u>

5 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.

6 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 £122 (2014: £120) was reimbursed to 2 (2014: 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:

	2015	2014
	£	£
Total emoluments (excluding pension contributions)	<u>50,275</u>	<u>44,256</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 £3,042 (2014: £2,552) into the pension scheme on behalf of the Chief Executive Officer.

A total of £2,048 (2014: £1,554) was reimbursed to the Chief Executive Officer during the year in respect of travel and office costs incurred.

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

For the year ended 31 March 2015

7 Staff Costs and Emoluments

	2015	2014
	£	£
Wages and salaries	361,427	353,282
Social security costs	26,712	28,522
Other pension costs	28,956	19,784
	<u>417,095</u>	<u>401,588</u>

Particulars for employees:

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

Number of administrative staff	5	4
Housing and support staff	<u>10</u>	<u>11</u>
Total	<u>15</u>	<u>15</u>

No employee received remuneration of more than £60,000 during the year (2014: Nil)

The company operates a defined contribution pension scheme. At the year end there is an amount included within creditors of £331 (2014: £190) owing to the scheme.

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

For the year ended 31 March 2015

8 Fixed Assets

	Housing Properties (at cost or valuation) £	Other Fixed Assets/General Equipment (at cost) £	Total £
Cost/Valuation			
As at 1 April 2014	999,900	96,366	1,096,266
Additions	-	14,079	14,079
Revaluations	(77,380)	-	(23,275)
Disposals	-	(6,830)	(6,830)
As at 31 March 2015	<u>922,520</u>	<u>103,615</u>	<u>1,080,240</u>
Depreciation			
As at 1 April 2014	-	71,647	71,647
Charge for the year	-	6,000	6,000
Eliminated on disposal	-	(7,007)	(7,007)
As at 31 March 2015	<u>-</u>	<u>70,640</u>	<u>124,745</u>
Net book value after grants deducted			
As at 31 March 2015	<u>922,520</u>	<u>32,976</u>	<u>955,496</u>
As at 31 March 2014	<u>999,900</u>	<u>24,719</u>	<u>1,024,619</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. It is intended to re-apply for planning permission during 2015-16. The properties will be revalued every 5 years, with an interim valuation during the 3rd year.

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

	2015 £	2014 £
Properties at historical cost	977,337	977,337
Social housing grants as at 1 April 2014 and 31 March 2015	(256,678)	(256,678)
	<u>720,659</u>	<u>720,659</u>
Cumulative historical cost depreciation	(56,703)	(43,377)
Net book value	<u>663,956</u>	<u>677,282</u>

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

For the year ended 31 March 2015

Historical cost (continued)

Reconciliation of revaluation reserve	2015	2014
	£	£
Historical cost as above	720,659	720,659
Revaluation reserve	<u>201,861</u>	<u>279,241</u>
Net book value	<u>922,520</u>	<u>999,900</u>

9 Debtors

	2015	2014
	£	£
Debtors	62,362	50,159
Prepayments and accrued income	2,262	750
	<u>64,624</u>	<u>50,909</u>

10 Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	16,588	8,917
Accruals	6,750	7,396
Deferred income	708	6,694
Other creditors	17,000	49,449
Bank loans and overdrafts	6,192	5,781
Other taxes and social security	7,431	-
	<u>54,669</u>	<u>78,237</u>

The deferred income relates to grants received in the financial year which relate to 2015/16.

	2015	2014
	£	£
Deferred income brought forward	6,694	19,233
Released during the year	(6,694)	(19,233)
Deferred during the year	<u>708</u>	<u>6,694</u>
Deferred income carried forward	<u>708</u>	<u>6,694</u>

The bank loans included within creditors falling due within one year of £6,192 are secured on housing property owned by the company.

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

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Notes to the Accounts
For the year ended 31 March 2015

11 Creditors: Amounts falling due after one year

	2015 £	2014 £
Other creditors	103,417	120,417
Bank loans and overdrafts	<u>199,731</u>	<u>205,938</u>
	<u>303,148</u>	<u>326,355</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 -	2015 £	2014 £
In more than one year but not more than two years	23,775	23,191
In more than two years but not more than five years	161,501	163,944
In more than five years	<u>117,872</u>	<u>139,220</u>
	<u>303,148</u>	<u>326,355</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 6.256% over 20 years.

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

12 Reserves

	Designated Reserve £	Revaluation Reserve £	Revenue Reserve £	Restricted Reserve £	Total £
As at 1 April 2014	-	279,241	464,697	12,738	756,676
Surplus	-	-	105,076	2,141	107,217
Transfer	16,400	-	(12,900)	(3,500)	-
Revaluation	-	(77,380)	-	-	(77,380)
As at 31 March 2015	<u>16,400</u>	<u>201,861</u>	<u>556,873</u>	<u>11,379</u>	<u>786,513</u>

The designated reserve relates to a sinking fund for renovating rental properties. A transfer was made from the revenue reserve during the year.

The transfer from the restricted reserve relates to restricted funds brought forward of £3,500 offset against the purchase of a van.

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Notes to the Accounts

For the year ended 31 March 2015

12 Reserves (continued)

The restricted reserve consists of:

	£
Deposit guarantee	9,238
LB 150 Fund	1,017
Warm and Well Fund	224
Suffolk Community Foundation	900
	<u>11,379</u>

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

The Van fund related to grants received which have been used for the purchase of a van for the new 'Furniture Project' where Solo will assist with the transporting of donated furniture when tenants move 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 the year and related to a grant received to assist tenants with utility bills over the winter months and finished during the year.

A grant of £1,000 was received from the Rank Foundation towards the furniture reuse project, this was expended during the year.

A grant of £2,245 was received from Essex County Fire and Rescue Service Charitable Fund towards the continuation of M Heaffey's services, this was expended during the year.

13 Analysis of net assets between funds

	Designated Reserve £	Revaluation Reserve £	Revenue Reserve £	Restricted Reserve £	Total £
Fixed assets	-	201,861	753,635	-	955,496
Net current assets	16,400	-	106,386	11,379	134,165
Long term liabilities	-	-	(303,148)	-	(303,148)
As at 31 March 2015	<u>16,400</u>	<u>201,861</u>	<u>556,873</u>	<u>11,379</u>	<u>786,513</u>

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

For the year ended 31 March 2015

14 Accommodation in Management

	2015 Units	2014 Units
Supported housing	<u>95</u>	<u>93</u>

15 Commitments

Commitments in relation to operating leases for the year are as follows –

	2015 £	2014 £
Land and Buildings		
- Expiring within one year	62,404	47,288
- Expiring within two to five years	<u>202,512</u>	<u>197,627</u>
	<u>264,916</u>	<u>244,915</u>

16 Related Party Transactions

During the year a total of £5,339 (2014: £5,714) was paid to P L Davey, Executive Committee Member, in respect of rent.

Other creditors includes a balance of £120,417 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 £122 (2014: £120) was paid to two Members (2014: two) for reimbursed expenditure.

17 Members Liability

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

18 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.