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**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**  
**Financial Statements**  
**Year Ended 31 March 2018**

Homes & Communities Agency No: L4191  
Registered Society No: 27223 R

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Financial Statements

Year Ended 31 March 2018

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# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Information

Year Ended 31 March 2018

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<b>Members of the Board</b>	D C Matlocks JP (Chairman) J Baynton Dr G Grewal MBChB. MRCPsych Ms M Edwards M Hooper FCCA Ms S O'Connor RGN ( Resigned June 2018) Mrs S Pittaway, Hon. Alderman Solihull MBC C Tucker BSc. ARIB (Resigned October 2017)
<b>General Manager and Secretary</b>	G Singh
<b>Registered office</b>	Phoenix House 2 Swallows Meadow Shirley Solihull West Midlands B90 4PQ
<b>Auditor</b>	Jerroms Trafalgars Limited The Exchange Hastucks Green Road Shirley Solihull West Midlands B90 2EL
<b>Solicitor</b>	Wright Hassall Olympus Avenue Leamington Spa Warwickshire CV34 6BF
<b>Bankers</b>	Lloyds Bank PLC 2 <sup>nd</sup> Floor 125 Colmore Row Birmingham B3 3SD

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Report of the Board

Year Ended 31 March 2018

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The Board of The Solihull Care Housing Association Limited (SCHA) presents their report, and the audited financial statements of the Registered Provider (RP) for the year ended 31 March 2018.

The day to day running of the SCHA is undertaken by the General Manager, Gurdev Singh.

The Finance Officer is Christine Grace.

The Board normally holds bi-monthly meetings to monitor the activities and performance of the Association.

### Objectives and strategies for achieving those objectives

The principal activity of SCHA is the provision of housing accommodation and related services, for people who have special needs, including frail elderly persons, people who have learning disabilities and people with mental health needs.

SCHA does not itself provide care. Care is provided within some of its schemes by agreements between Solihull Council and care agencies.

Properties in management, as at 31 March 2018, comprised:

- a) Cranmore Court, Shirley: 12 flats let on assured tenancies for people with mental health needs.
- b) Oakfield, Olton: 7 flats let on assured tenancies for people with mental health needs.
- c) Brighton House, Olton: 8 bedsits let on assured tenancies for people with mental health needs.
- d) Wildmoor Road, Shirley: 2 small homes providing support for 5 people with learning disabilities
- e) Danzey Green Road, Castle Bromwich: 3 bungalows registered for the provision of housing and care for people with learning disabilities
- f) Yorkminster Drive: Chelmsley Wood: 3 bungalows registered for the provision of housing and care for people with learning disabilities
- g) Phoenix House: 43 rented apartments and 6 shared ownership apartments for people aged over 55 with care and support needs
- h) Trinity Apartments: 38 rented apartments and 13 shared ownership apartments for people aged 55 and over with care and support needs.

Occupancy levels remained high throughout the year. Voids across all schemes averaged 1.7% compared to the budget of 3%. Eleven flats became vacant at Phoenix House, six were re-let immediately and five had short void periods averaging 26 days. Nine apartments became vacant at Trinity, three were re-let immediately and six had short void periods averaging 34 days. During the year the Board made the decision to let five of the 2-bedroomed Apartments ear-marked for sale.

6 Oakfield House was vacant for 265 days and 3 Brighton House was vacant for 65 days.

In relation to Trinity Apartments a well co-ordinated marketing campaign for the shared ownership sales proved very slow to gain any momentum. There was a sense, echoed by Solihull Metropolitan Borough Council (SMBC), that leasehold ownership within mixed (rental and sale) extra care schemes was becoming less attractive as a form of housing provision. There had been some negative national press coverage around leasehold ownership and also concerns raised about re-sale values for leasehold units in extra care schemes. There are now a number of re-sales at Trinity Apartments that are evidencing this point about leasehold units retaining value poorly. Despite these significant headwinds, SCHA sales did pick up towards the end of 2017 into 2018, with three sales completing in January and February 2018. As at July 2018 the last two SCHA leasehold units were sold STC.

The Association continued to provide a responsive and efficient repairs service and also to invest in existing schemes for the benefit of residents including:

CCTV installation at Phoenix House  
Replacement intercom at Cranmore Court  
Guttering and roof work at Cranmore Court  
Bathroom refurbishment at Flat 1 Oakfield House  
Window replacement at Flat 6 Oakfield House  
Internal decorating at Brighton House  
Kitchen refurbishment at 43 Danzy Green Road

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Report of the Board

Year Ended 31 March 2018

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Boiler refurbishment at 41 Danzy Green Road  
Utility refurbishment at 5 Yorkminster Drive

An increasing number of the day-to-day repairs were completed by the Association's own handyman, who now works full-time for the Association. The association has also made a provision for an additional part time handyman this year to further support responsive repairs and conduct health and safety checks.

### Supporting People / Housing Related Support Service

Housing related support is provided by the Association to tenants of the schemes at Cranmore Court, Brighton House and Oakfield, most of whom have an enduring mental illness. The Association aims to support residents to maintain their tenancies and adhere to their tenancy agreements in order to ensure they remain housed and do not have to return to an institutionalised living environment.

Despite ongoing cutbacks in Supporting People funding for many providers in the borough, the Association has continued to keep funding and levels of support for tenants stable during 2017-18. Nevertheless, the Supporting People funding regime is to be wound up from April 2018. It is to be replaced by the Solihull Council's Housing Related Support programme. Funding under this new regime will be significantly lower level than Supporting People. SCHA are looking to review their rents and service charges to maximize entitlement to Housing Benefit from April 2018.

### Care Provision

The provision of high standards of care and good working relationship between SCHA and care providers is pivotal to the ongoing sustainability of tenancies.

Care services in Phoenix House are provided by Accord Care and Support. An announced inspection of the care services provided in Phoenix House was undertaken by the Care Quality Commission in March 2017 resulting from which all categories assessed were rated as 'Good.'

Care services in Trinity Apartments are provided by Friendship Care and Housing.

CareTech Community Services Ltd is commissioned by Solihull Council to provide care to residents of the properties owned by the Association in Danzey Green Rd, Castle Bromwich and Yorkminster Drive, Chelmsley Wood.

Aspects Care Ltd is commissioned by Solihull Council to provide care to residents of properties leased by the Association in Wildmoor Rd, Shirley.

### Principal risks and uncertainties

Providing high quality housing and services for people with special needs in an increasingly complex and challenging operating environment involves some significant risks. The Board recognises that many of the organisation's activities involve risk and that risks cannot be entirely eliminated. However, actions are taken to ensure that risks are properly controlled and responsibilities clearly established.

Risk management is now at the very heart of our business management and planning processes. It is not a process that is simply bolted onto existing practices but is becoming an increasingly integral part of the ongoing management of the business.

The key objectives of our risk management strategy are to:

- Embed risk management into the culture of the Association and its operational activities
- Adopt an integrated and systematic approach
- Avoid major costs and disruption by highlighting inefficient/inappropriate practices
- Provide a sharper focus on what is and is not worth pursuing
- Avoid the adverse reputational impact of poor service provision
- Ensure responsibilities are clearly assigned for addressing and mitigating risk

It is intended to support the achievement of our corporate objectives – not to get in the way; and to facilitate better informed decision-making.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Report of the Board

Year Ended 31 March 2018

### Assessment of Compliance with the Governance and Financial Viability Standard

The Board confirms compliance with the Governance and Viability Standard issued by the Homes and Communities Agency in April 2015 relevant to the size and scale of the Association's activities.

### Code of Governance

The Board has adopted the National Housing Federation Code of Governance 2015 and confirms its compliance with the Code with the exception of the appraisal of individual Board members and the Board's collective performance as a decision-making body.

### Analysis using financial and non-financial key performance indicators

- Surplus for the year - £631,284.
- Current rent and service charge arrears as a percentage of annual rent collected 0.96%
- Average re-let time -30 days
- Valid gas safety certificates - 100%
- Emergency repairs completed on time - 100%
- Urgent repairs completed within five working days - 100%
- Routine repairs completed within 20 working days - 98%

### Assessment of how the RP is achieving value for money

The Board recognises the importance of running the organisation in a business-like way in order to maximise the resources available to invest in the services provided to residents who are at the centre of all that we do.

We seek to do this by working together with like-minded suppliers and contractors. They help us to deliver services in a more cost-effective and efficient way by working collaboratively to offer joined up solutions which are more innovative and better targeted. By working together and sharing skills and experience, we can seek to achieve more.

We control our costs and manage expenditure with budget-holders having clear accountability around budget lines and commitment to spend. In addition, we constantly review our services and operations to ensure we achieve greater efficiencies and deliver value for our residents.

To illustrate this point, tendering exercises were carried out on insurance renewals, fire alarm and emergency lighting service contracts, phone contracts, legionella management as well as the supply of electricity and gas to several schemes during 2017-18.

SCHA has been preparing the groundwork to report against an agreed set of measures for Value for Money, required from April 2018 by the Regulator for Social Housing (RSH). These Value for Money Metrics ( Reinvestment, Supply, Gearing, EBITDAMRI, Cost per Unit, Operating Margin & ROCE) will underpin a revised SCHA Value for Money Strategy, which in turn will build on the associations first comprehensive Tenant Satisfaction Survey. Links with smaller association forums will be nurtured during the course of 2018-19 to allow us to explore appropriate benchmarking opportunities. SCHA can offer the following information for VFM metrics for year end March 2018 :-

Metric 1 -Reinvestment : 0.33%

Metric 2- No new supply

Metric 3- Gearing : 15 %

Metric 4- EBITDAMRI : 933%

Metric 5- Social Housing CPU : £ 7,022

Metric 6 - Operating margin : -

- A Social housing lettings only: 26 %
- B Operating margin overall: 42%

Metric 7- Return on capital employed % : 5.61%

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Report of the Board

Year Ended 31 March 2018

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### Reference to Board's annual review of Internal control

The Board is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance for the safeguarding of assets.

The Board is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2018 and up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board.

The Board monitors that there are appropriate control procedures in place and that these procedures are being followed through the work of external audit.

The main policies which the Board has established and which are designed to provide effective internal control are as follows

- A risk strategy and risk register which includes the key risks faced by the Association and the existing/planned measures to mitigate the risks. Key risk areas identified are: External Influences, Financial, People, Infrastructure, Property Maintenance, Business Growth and Reputation. The risk register is updated and reviewed by the Board at six monthly intervals following which it is also issued to staff.
- A commitment to quality and competence and an appropriate organisational structure with clearly defined lines of responsibility and delegation of authority which combine to create an appropriate control environment
- Information systems for detailed financial reporting, budgeting and planning against which performance is monitored. Performance indicators are to be used to identify trends in current financial and non-financial data.
- Financial control procedures based upon clearly defined responsibilities and authorities of the Board, and delegation to staff members.

The Board has reviewed the effectiveness of the systems of internal financial controls for the period from 1 April 2017 to the date on which these accounts were approved. The review revealed no material weaknesses in internal financial control that required disclosure

### Future prospects

The Board is mindful of the further challenges which may be faced resulting from decisions yet to be made by Government on the future of Supported Housing. Although during the course of 2017 Government took the decision to abandon plans to cap future Housing Benefit payments to Local Housing Allowance, their revised proposals are due out later in 2018.

In addition, resourcing issues due financial constraints in the Local Authority's Adult Social Care Department are impacting increasingly on the timely referral and assessment of applicants for the two extra care schemes in particular which may adversely affect the Association's ability to let vacant units promptly.

### Board's responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Report of the Board

Year Ended 31 March 2018

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

It has general responsibility for taking reasonable steps to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

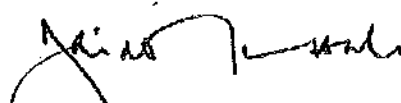
The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of information to the auditors

We, the members of the Board of the Association who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Association's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Board members in order to make ourselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

On behalf of the Board



David C Mattocks  
Chairman

D MATTOCKS

DATE: 28 September 2018



# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Independent Auditor's Report to the Members of Solihull Care Housing Association Limited

Year Ended 31 March 2018

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### Opinion

We have audited the financial statements of Solihull Care Housing Association Limited (the 'association') for the year ended 31 March 2018 which comprise Statement of Comprehensive Expenditure (including the income and expenditure account) the Statement of Financial Position, the Cash Flow Statement and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

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

We have nothing to report in this regard.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Independent Auditor's Report to the Members of Solihull Care Housing Association Limited

Year Ended 31 March 2018

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### Matters on which we are required to report by exception

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

- the association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### Responsibilities of the board

As explained more fully in the board's responsibilities statement [set out on page.6], the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association'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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.



*Jerroms Trafalgars Limited Statutory Auditor*  
28 September 2018

*The Exchange  
Haslucks Green Road  
Shirley  
Solihull  
B90 2EL*


THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Statement of comprehensive Income (Including Income and Expenditure Account)

Year Ended 31 March 2018

		2018	2017
	Note	£	£
Turnover	2	2,181,871	2,479,718
Operating expenditure	2	(1,461,001)	(1,615,557)
<b>Operating surplus</b>	2	<u>720,870</u>	<u>864,161</u>
Interest receivable and similar income	5	-	1,200
Interest payable and similar charges	5	(89,586)	(128,715)
<b>Surplus on ordinary activities for the year</b>	3	<u>631,284</u>	<u>736,646</u>
<b>Total comprehensive income for the year</b>		<u>631,284</u>	<u>736,646</u>

On behalf of the Board

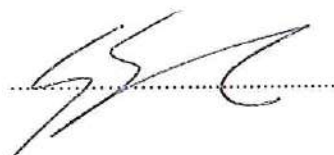


David C Mattocks  
Chairman

D C MATTOCKS



M HOOPER



G SINGH (Secretary)

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED


Statement of Changes in Equity / Reserves

Year Ended 31 March 2018

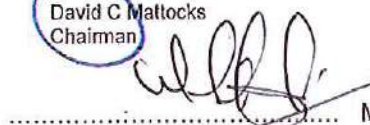
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	8,9	10,797,286	11,038,436
Investments in subsidiary	10	1	1
		<u>10,797,287</u>	<u>11,038,437</u>
<b>Current assets</b>			
Stocks	11	562,660	803,797
Debtors	12	64,963	33,352
Cash at bank and in hand		244,983	203,584
		<u>872,606</u>	<u>1,040,733</u>
<b>Creditors: amounts falling due within one year</b>	13	(298,693)	(412,544)
Deferred Government grants due within one year	15	(126,370)	(126,370)
<b>Net current assets</b>		<u>447,543</u>	<u>501,819</u>
<b>Total assets less current liabilities</b>		11,244,830	11,540,256
<b>Creditors: amounts falling due after more than one year</b>	14	(1,729,805)	(2,530,145)
Deferred Government grants due after more than one year	15	(5,552,805)	(5,679,175)
<b>Total net assets</b>		<u>3,962,220</u>	<u>3,330,936</u>
<b>Reserves</b>			
Called up share capital	18	8	8
Income and expenditure reserve	19	3,962,212	3,330,928
<b>Total Reserves</b>		<u>3,962,220</u>	<u>3,330,936</u>

The financial statements were approved and authorised for issue by the Board on 28 September 2018

Signed on behalf of the Board

  
David C Mattocks  
Chairman

D C MATTOCKS

  
M HOOPER

  
G SINGH (Secretary)

The notes on pages 11 to 29 form part of these accounts.

**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED****Statement of Changes in Equity / Reserves****Year Ended 31 March 2018**

	Called-up share capi- tal £	Income and expenditure reserve £	Total £
<b>At 1<sup>st</sup> April 2016</b>	8	2,594,282	2,594,290
Surplus for the year	-	736,646	736,646
<b>Share capital movement</b>	-	-	-
<b>At 31<sup>st</sup> March 2017</b>	<u>8</u>	<u>3,330,928</u>	<u>3,330,936</u>
Surplus for the year	-	631,284	631,284
<b>At 31<sup>st</sup> March 2018</b>	<u>8</u>	<u>3,962,212</u>	<u>3,962,220</u>

**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**

**Statement of Cash Flows**

**Year Ended 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Cash flow from operating activities</b>	20	1,067,796	1,320,722
Interest paid		(89,586)	(128,715)
<b>Net cash flow from operating activities</b>		<u>978,210</u>	<u>1,192,007</u>
<b>Cash flow from investing activities</b>			
Adjustment re property construction costs		-	3,488
Interest received		-	1,200
<b>Net cash flow from investing activities</b>		<u>-</u>	<u>4,688</u>
<b>Cash flow from financing activities</b>			
Repayment of long term loans		(936,811)	(2,014,520)
<b>Net cash flow from financing activities</b>		<u>(936,811)</u>	<u>(2,014,520)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		41,399	(817,825)
<b>Cash and cash equivalents at 1<sup>st</sup> April 2017</b>		203,584	1,021,409
<b>Cash and cash equivalents at 31<sup>st</sup> March 2018</b>		<u>244,983</u>	<u>203,584</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		244,983	203,584
<b>Cash and cash equivalents at 31<sup>st</sup> March 2018</b>		<u>244,983</u>	<u>203,584</u>

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

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### 1 Summary of significant accounting policies

#### (a) General information and basis of preparation

The Association is incorporated under the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968 (now Co-operative and Community Benefit Societies Act 2014) and is registered with the Homes and Communities Agency as a Registered Provider of social housing.

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 Cooperative and Community Benefit Societies Act 2014. 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, rounded to the nearest pound, which is the functional currency of the RP

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 26.

#### (b) Group accounts

The RP has been exempted by the FCA from the requirement to prepare group accounts. The subsidiary is dormant.

#### (c) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Shared ownership properties (including those under construction) are split between housing properties in fixed assets and current assets. The split is determined by the expected percentage of the property to be sold under a first tranche disposal.

Donated land from local authorities is added to cost at the fair value of the land at the time of donation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Housing properties	2%
Office equipment	20%
Freehold land is not depreciated	

Housing properties under construction are not depreciated until they are in use.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

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Major components of housing properties, such as lifts and warden alarm systems, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in property fixtures and fittings.

The useful economic lives of all tangible fixed assets are reviewed annually.

### **(d) Stocks**

Stocks, including property developed for outright sale or shared ownership is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

### **(e) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

### **(f) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### **(g) Investments**

The investment in a dormant subsidiary is included at cost.

### **(h) Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

### **(i) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each financial year end. The level at which an impairment is assessed, is by the cash generating unit (CGU). ACGU is a property in management as detailed in the Board Report. The key indicators considered are objective evidence that as a result of one or more events that occurred after the initial recognition of the asset, the estimated future flows have been affected.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

### **(j) Provisions**

Provisions are recognised when the RP has an obligation at the financial year end date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.



# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

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Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

### (k) Leases

Rentals payable and receivable under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

### (l) Tax

No corporation or deferred tax is accounted for by the RP, since it has charitable status and its activities are exempt from tax.

Irrecoverable VAT which can be attributable to a capital item or operating expenditure is added to the cost of the capital item or expense. The activities of the RP are partially exempt from VAT. Because of the small amounts involved, expenditure is shown gross and the VAT recoverable is included in the income.

### (m) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

The disposal proceeds from the first tranche of shared ownership properties are included in turnover at the point of legal completion.

#### *Rendering of services*

When the outcome of a transaction can be estimated reliably, turnover from supporting people contracts is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to the date.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

#### *Interest receivable*

Interest income is recognised using the effective interest method as the right to receive the income is established.

#### *Other income*

The licences and other income from rooms is recognised when the Association obtains the right to consideration.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

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### (n) Government grants

Government grants from Homes Communities Agency are received in respect of a contribution towards capital costs of various schemes. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Such grants are only repayable in certain limited circumstances

Where disposal of government donated assets are required to be recycled, a liability is included to recognise this obligation.

### (o) Employee benefits

When employees have rendered service to the RP, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The RP operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

### (p) Financial Instruments

The RP has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the RP statement of financial position when the RP becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

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### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

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### (q) Judgements and key sources of estimation uncertainty

In the application of the RP's accounting policies the Board are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Impairment of Social Housing properties:** The Board have to make an assessment as to whether an indicator of impairment exists. In making the judgement they considered the detailed criteria set out in the SORP

The Board have made estimations regarding the costs of the shared ownerships properties for the remaining 7 flats. This is £562,660 included in stock. The Board are expecting the selling price less the costs to complete and sell to be greater than this cost.

**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements**

**Year Ended 31 March 2018**

**2 Particulars of turnover, operating costs and operating surplus**

	2018		
	Turnover	Operating expenditure	Operating surplus
	£	£	£
<b>Social housing lettings</b>	<u>1,399,872</u>	<u>1,210,218</u>	<u>189,654</u>
<b>Other social housing activities</b>			
First tranche property sales	542,500	250,783	291,717
Supporting people	67,678	-	67,678
Amortised government grants	126,370	-	126,370
Other	<u>45,451</u>	<u>-</u>	<u>45,451</u>
	<u>781,999</u>	<u>250,783</u>	<u>531,216</u>
	<u>2,181,871</u>	<u>1,461,001</u>	<u>720,870</u>
	2017	Operating expenditure	Operating surplus
	Turnover	£	£
<b>Social housing lettings</b>	<u>1,339,705</u>	<u>1,201,178</u>	<u>138,527</u>
<b>Other social housing activities</b>			
First tranche property sales	918,000	414,379	503,621
Supporting people	68,765	-	68,765
Amortised government grants	126,370	-	126,370
Other	<u>26,878</u>	<u>-</u>	<u>26,878</u>
	<u>1,140,013</u>	<u>414,379</u>	<u>725,634</u>
	<u>2,479,718</u>	<u>1,615,557</u>	<u>864,161</u>
		2018	2017
Void losses		£	£
		<u>61,956</u>	<u>9,481</u>

**3 Surplus on ordinary activities**  
Surplus on ordinary activities is stated after charging

	2018	2017
	£	£
Auditor's remuneration for audit	6,900	6,600
Bad debts	725	1,537
Depreciation of tangible fixed assets	239,038	243,336
Depreciation of other assets	2,112	2,108
Operating rent	<u>47,458</u>	<u>47,528</u>

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

### 4 Accommodation owned and in management

	Number of units at 31 <sup>st</sup> March 2018	Number of units at 31 <sup>st</sup> March 2017
Completed units:		
Supported housing	32	32
Housing for older people	100	100
Care homes providing personal care under the Care Standards Act 2000	24	24
	<u>156</u>	<u>156</u>

### 5 Interest and other finance income and charges

#### a) Interest receivable and similar income

	2018 £	2017 £
Bank interest receivable	-	1,200
	<u>-</u>	<u>1,200</u>

#### b) Interest payable and similar charges

	2018 £	2017 £
Bank loans and overdrafts	89,586	128,715
	<u>89,586</u>	<u>128,715</u>

### 6 Board and key management personnel remuneration

Key management personnel received £35,906 (2017: £34,943) during the period.  
Members of the Board received no expenses or remuneration in the year.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statements

Year Ended 31 March 2018

### 7 Staff costs

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

	2018	2017
Head office management and administration	4	5
Housing management	3	3
Wardens, cleaners and maintenance	3	2
Support	4	4
	<u>14</u>	<u>14</u>

The aggregate remuneration of such employees was as follows:

	2018 £	2017 £
Wages and salaries	242,137	250,212
Social security	17,841	18,016
Pension costs	5,039	1,619
	<u>264,817</u>	<u>269,847</u>

There are no employees who received more than £60,000 as their employee package.

**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statement**

**Year Ended 31 March 2018**

**8 Tangible fixed assets – housing properties**

	Housing properties for letting	Shared ownership properties
	£	£
<b>Cost:</b>		
At 1 <sup>st</sup> April 2017	11,999,047	662,645
At 31 <sup>st</sup> March 2018	11,999,047	662,645
<b>Depreciation:</b>		
At 1 <sup>st</sup> April 2017	1,582,132	46,344
Charge for year	224,782	13,252
At 31 <sup>st</sup> March 2018	1,806,914	59,596
<b>Net book value:</b>		
At 31 <sup>st</sup> March 2018	10,192,133	603,049
At 31 <sup>st</sup> March 2017	10,416,915	616,301
	Property fixtures and fittings	Total
	£	£
<b>Cost:</b>		
At 1 <sup>st</sup> April 2017	61,893	12,723,585
At 31 <sup>st</sup> March 2018	61,893	12,723,585
<b>Depreciation:</b>		
At 1 <sup>st</sup> April 2017	60,889	1,689,365
Charge for year	1,004	239,038
At 31 <sup>st</sup> March 2018	61,893	1,928,403
<b>Net book value:</b>		
At 31 <sup>st</sup> March 2018	-	10,795,182
At 31 <sup>st</sup> March 2017	1,004	11,034,220



**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statement**

**Year Ended 31 March 2018**

**8 Tangible fixed assets – housing properties (continued)**

The net book value of land and buildings comprised:

	2018 £	2017 £
<b>Land and buildings:</b>		
Freehold	9,398,862	9,623,336
Long leasehold	426,320	439,880
Land	970,000	970,000
	<u>10,795,182</u>	<u>11,033,216</u>
<b>Housing Property fixtures and fittings</b>	<u>-</u>	<u>1,004</u>
	<u>10,795,182</u>	<u>11,034,220</u>

Social housing properties with a net book value of £10,795,182 (2017 - £11,033,216) have been pledged as security for liabilities of the RP. These assets have restricted title.

**9 Tangible fixed assets – other**

	Fixtures and fittings £
<b>Cost or valuation:</b>	
At 1 <sup>st</sup> April 2017	<u>10,538</u>
At 31 <sup>st</sup> March 2018	<u>10,538</u>
<b>Depreciation:</b>	
At 1 <sup>st</sup> April 2017	6,322
Charge for the year	<u>2,112</u>
At 31 <sup>st</sup> March 2018	<u>8,434</u>
<b>Net book value:</b>	
At 31 <sup>st</sup> March 2018	<u>2,104</u>
At 31 <sup>st</sup> March 2017	<u>4,216</u>

**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statement**

**Year Ended 31 March 2018**

<b>10</b>	<b>Fixed asset investments</b>	<b>Unlisted £</b>
	<b>Cost</b>	<u>1</u>
	At 31 March 2017 & 31 March 2018	
	<b>Net book value</b>	<u>1</u>
	At 31 March 2018	
	At 31 March 2017	<u>1</u>

The RP owns 100% of the issued ordinary shares of Solihull Care (Property) Limited, a company that did not trade during the year, unlisted and incorporated in England and Wales. Its profit for the year amounted to £Nil (2017 - £Nil). Its accumulated capital and reserves at 31 March 2018 stands at £1 (2017 - £1).

<b>11</b>	<b>Stocks</b>	<b>2018 £</b>	<b>2017 £</b>
	<b>First tranche shared ownership properties: Completed housing properties for sale</b>	562,660	803,797
		<u>562,660</u>	<u>803,797</u>

The sale proceeds from the sale of these properties is pledged to reduce the Parkgate development loan (Note 16)

<b>12</b>	<b>Debtors</b>	<b>2018 £</b>	<b>2017 £</b>
	Trade debtors (gross social housing rent arrears, service charge arrears and Supporting People income outstanding)	37,852	18,428
	Prepayments and accrued income	27,111	14,924
		<u>64,963</u>	<u>33,352</u>

<b>13</b>	<b>Creditors: amounts falling due within one year</b>	<b>2018 £</b>	<b>2017 £</b>
	Bank loans and overdrafts	174,269	310,740
	Trade creditors	54,053	21,418
	Creditor in respect of Parkgate Development	10,000	10,000
	Other creditors	8,778	10,249
	Rents in advance	29,278	21,969
	Accruals and deferred income	22,315	38,168
		<u>298,693</u>	<u>412,544</u>

**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statement**

**Year Ended 31 March 2018**

14 Creditors: amounts falling due after more than one year	2018 £	2017 £
Bank loans and overdrafts	<u>1,729,805</u>	<u>2,530,145</u>

**15 Government Grants**

Grants of £6,868,478 received, were to assist with the purchase and construction costs of housing properties and therefore there is an ongoing linkage between the property costs and the government grants. As the housing properties are measured at cost, the accrual model for recognising the grant, reflects the substance of the overall transaction, as grants are matched to the life of the underlying asset. The grants are being amortised and treated as income over fifty years, being equal to the number of years over which the underlying assets are being depreciated.

	2018 £	2017 £
Due within one year	126,370	126,370
Due after one year	<u>5,552,805</u>	<u>5,679,175</u>
	<u>5,679,175</u>	<u>5,805,545</u>

Such grants are only repayable in certain circumstances

**16 Borrowings**

	2018 Housing Loans £	2017 Housing Loans £
Less than one year or on demand	174,269	310,740
Between one and two years	167,789	176,903
Between two and five years	391,807	570,350
After five years	<u>1,170,209</u>	<u>1,782,892</u>
	<u>1,904,074</u>	<u>2,840,885</u>

Loans totalling £1,904,074 are secured by specific charges on the RP housing properties.

At the year end the loans relating to housing properties.

	Interest rate	2018 £	2017 £
Phoenix House fixed term	4.85%	448,586	482,453
Phoenix House variable rate	2.9% above base rate	<u>104,555</u>	<u>785,278</u>
		<u>553,141</u>	<u>1,267,731</u>
Trinity Apartments development	2.7% above base rate	-	140,000
Trinity Apartments variable rate	2.7% above base rate	<u>1,350,933</u>	<u>1,433,154</u>
		<u>1,350,933</u>	<u>1,573,154</u>
<b>Total</b>		<u>1,904,074</u>	<u>2,840,885</u>

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statement

Year Ended 31 March 2018

### 17 Leasing commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 Land & buildings £	2017 Land & buildings £
Not later than one year	47,462	47,462
Later than one and not later than five years	150,568	162,352
Later than five years	327,048	362,726
	<u>525,078</u>	<u>572,540</u>

The RP has a 125 year lease on Cranmore Court from 24 June 1992, For the first 40 years a fixed annual rent of £30,678 is payable. In addition, a rent which is reviewed every 5 years and is currently £5000 per annum is payable.

Also, there is a five year lease on the two properties in Wildmoor Rd from November 2014 with a current rental of £11,784 per annum reducing by 1% each year under current guidelines.

### 18 Share capital

Each member of the board holds one Ordinary share of £1 in the Association.

	Number	£
Allotted called up and fully paid At 1 April 2017	8	8
At 31 March 2018	<u>8</u>	<u>8</u>

There have been no changes to membership during the year

The shares do not have rights to any dividends, nor to a distribution in a winding-up, and they are not redeemable. Each share carries one vote in a general meeting of the Association.

# THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

## Notes to the Financial Statement

Year Ended 31 March 2018

### 19 Reserves

	2018	2017
	£	£
Balance as at 1 April 2017	3,330,928	2,594,282
Surplus for the year	631,284	736,646
Balance as at 31 March 2018	<u>3,962,212</u>	<u>3,330,928</u>

### 20 Reconciliation of operating surplus to cash flow from operating activities

	2018	2017
	£	£
Operating surplus for the year	720,870	864,161
Depreciation and impairment of tangible fixed assets	241,150	245,444
Decrease in stock	241,137	401,895
(Increase) / decrease in trade and other debtors	(31,610)	14,134
Increase / (decrease) in trade and other creditors	22,619	(78,542)
Government grants utilised in the year	(126,370)	(126,370)
Net cash flow from operating activities	<u>1,067,796</u>	<u>1,320,722</u>

### 21 Pensions and other post-retirement benefits

As part of the government auto enrolment requirements, a pension scheme with National Employment Saving Trust (NEST) was setup on 1 April 2017 and all eligible employees have been enrolled into this scheme

### 22 Related party transactions

At the date of these financial statements none of the Association's Board members were tenants/shared owners of RP properties and no special terms applied.

### 23 Controlling party

The controlling parties are the members of the Board

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2018

24 Financial Instruments

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

	2018 £	2017 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost		
-Trade debtors (note 12)	37,852	18,428
-Other Debtors (note 12)	<u>27,111</u>	<u>14,924</u>
	<u>64,963</u>	<u>33,352</u>
Equity instruments measured at cost less impairment:		
-Fixed asset unlisted investments (note 10)	1	1
	<u>64,964</u>	<u>33,353</u>
<i>Financial liabilities</i>		
Measured at amortised cost		
-Bank loans and overdraft	1,904,074	2,840,885
-Trade creditors (notes 13-14)	93,331	53,387
-Other creditors (notes 13-14)	<u>31,093</u>	<u>48,417</u>
	<u>2,028,498</u>	<u>2,942,689</u>

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £0 (2017 - £1,200) and £89,586 (2017 - £128,715) respectively.

**THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statement**

**Year Ended 31 March 2018**

	2018		2017	
	£	£	£	£
<b>Income</b>				
Rents & Supporting People		1,467,550		1,408,470
Other income		45,451		26,878
		<u>1,513,001</u>		<u>1,435,348</u>
<b>Expenditure</b>				
Catering costs	205,550		212,116	
Service contracts	51,234		38,774	
Grounds Maintenance	7,883		8,934	
Cleaning and waste disposal	58,485		54,539	
Wages and salaries	264,817		269,847	
Consultancy / professional fees	10,131		11,988	
Audit fee	6,900		6,600	
Gas	31,743		30,319	
Electric	43,486		38,741	
Telephone	10,925		9,605	
Water	20,247		21,276	
Printing, postage & stationery	5,387		4,184	
Rent & rates	48,099		48,709	
Council Tax on void properties	12,351		17,481	
Gas and electric on void properties	1,185		1,874	
Insurance	18,948		16,292	
Bad debts	725		1,537	
Training	725		913	
Computer running costs & replacements	6,594		4,978	
Property repairs & renewals	145,917		124,678	
Equipment repairs and renewals	7,557		25,638	
Sundry expenses	9,812		5,884	
Bank charges	367		827	
Depreciation	241,150		245,444	
Amortisation of grants	(126,370)		(126,370)	
		<u>(1,083,848)</u>		<u>(1,074,808)</u>
Sale of Apartments	542,500		918,000	
Cost of apartments	(250,783)		(414,379)	
Surplus on property sales		<u>291,717</u>		<u>503,621</u>
<b>Operating surplus</b>		<u>720,870</u>		<u>864,161</u>
Interest receivable	-		1,200	
Interest payable	(89,586)		(128,715)	
		<u>(89,586)</u>		<u>(127,515)</u>
<b>Surplus for the year</b>		<u>631,284</u>		<u>736,646</u>