
THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Financial Statements

Year Ended 31 March 2019

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

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Financial Statements

Year Ended 31 March 2019

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THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Information

Year Ended 31 March 2019

| | |
|--------------------------------------|---|
| Members of the Board | Mr D C Mattocks JP (Chairman) Mr J Baynton Dr G Grewal MBChB, MRCPsych Ms M Edwards Mr M Hooper FCCA Ms S O'Connor RGN (Resigned June 2018) Mrs S Pittaway, Hon. Alderman Solihull MBC Mr A Evans (Appointed March 2019) Mr S Thorne (Appointed March 2019) Dr J Chauhan (Appointed March 2019) |
| General Manager and Secretary | Mr G Singh |
| Registered office | Phoenix House 2 Swallows Meadow Shirley Solihull West Midlands B90 4PQ |
| Auditor | Jerroms Lumaneri House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AH |
| Solicitor | Wright Hassall Olympus Avenue Leamington Spa Warwickshire CV34 6BF |
| Bankers | Lloyds Bank PLC 2 nd Floor 125 Colmore Row Birmingham B3 3SD |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Report of the Board

Year Ended 31 March 2019

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 2019.

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 2019, 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 0.4 % compared to the budget of 3%. Despite high levels of turnover, only three flats generated void loss at Phoenix House, at a cost of £937 during the year and one flat at Trinity Apartments (at a cost of £215). There was one vacancy at Brighton House at a void cost of £1,297.

Sales of SCHA apartments continued throughout 2018-2019. Appetite for older person's leasehold units within Solihull remained poor. Solihull Metropolitan Borough Council (SMBC), have within their Market Position Statement, indicated that leasehold ownership within mixed (rental and sale) extra care schemes was becoming less attractive as a form of housing provision. Despite these difficult headwinds SCHA has only one remaining leasehold unit for sale as at the close of 2018-2019.

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

A refrigeration unit at Phoenix House
Emergency Lighting Replacement at Phoenix House
Fire door seals at Phoenix House
New sofas and chairs for lounge at Cranmore Court
New kitchen (Flat 5) at Cranmore Court
New sofas and chairs for lounge at Brighton House
New fascia board upgrade at Brighton House
Bathroom refurbishment (Flat 7) Brighton House
Bathroom refurbishment (Flat 7) Oakfield House
Window replacements at Oakfield House
New Fire alarm panel and sounders at Oakfield House

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Report of the Board

Year Ended 31 March 2019

An increasing number of the day-to-day repairs were completed by the Association's two maintenance operatives. We recruited the second full time handyman during 2018-2019. This service now delivers a greater number of responsive repairs and offers more robust arrangements in place for health and safety checks.

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.

Solihull MBC's Housing Related Support programme superseded Supporting People funding. Funding under this new regime (2018-19 at £58,296) was significantly lower than 2017 -2018 Supporting People funding (£75,027). In response SCHA reviewed 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 at Phoenix House and Trinity Apartments were re-tendered by Solihull MBC for the period 2019 – 2022. At Phoenix House they are provided by Friendship Care and Housing (part of the Longhurst Group). 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.

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.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Report of the Board

Year Ended 31 March 2019

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 - £521,820.
- Current rent and service charge arrears as a percentage of annual rent collected 0.73%
- Average re-let time -9 days
- Valid gas safety certificates – 100%
- Emergency repairs completed on time – 100%
- Urgent repairs completed within five working days – 95.45%
- 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 Health & Safety and Human Resources consultancy services, catering equipment services contract, internal cleaning contracts, phone contracts as well as the supply of electricity and gas to several schemes during 2018-19.

SCHA has prepared the groundwork to report against an agreed set of measures for Value for Money, that were 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 have been nurtured during the course of 2018-19 to allow us to explore appropriate benchmarking opportunities. In particular, SCHA has joined Acuity benchmarking group of regional smaller housing associations. SCHA can offer the following information for VFM metrics for year end March 2019:-

Metrics 1 – Reinvestment : 0.00% (Note Planned Works Programme not Capitalised)

Metrics 2 – No new supply

Metrics 3 – Gearing : 9%

Metrics 4 – EBITDAMRI : 1115.24%

Metrics 5 – Social Housing CPU : £6,590

Metrics 6 – Operating Margin

- A Social Housing lettings only :27%
- B Operating Margin overall :33%

Metrics 7 – Return on Capital Employed : 4.76%

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Report of the Board

Year Ended 31 March 2019

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 2019 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 four monthly intervals, with key points cascaded 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 2019 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 levels, their revised proposals are now delayed until Autumn 2019.

In addition, resourcing issues caused by 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 – this may adversely affect the Association's ability to let vacant units promptly. Changes also to Service Specification within Solihull MBC's re-tendered Care Contract for our extra care schemes has led to the association needing to carryout additional tasks (support catering service) and potentially look at upgrades to installations (warden call, door entry and barriers).

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Report of the Board

Year Ended 31 March 2019

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.

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.

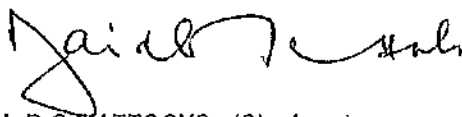
The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



Mr D C MATTOCKS (Chairman)

DATE: 27 September 2019

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

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

Year Ended 31 March 2019

Opinion

We have audited the financial statements of Solihull Care Housing Association Limited (the 'association') for the year ended 31 March 2019 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 2019 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.

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 2019

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.5], 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. 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.



Mr Neill Currie FCA (Senior Statutory Auditor)
for and on behalf of Jerroms

Chartered Certified Accountants

27 September 2019

Lumaneri House
Blythe Gate
Blythe Valley Parky
Solihull
B90 8AH

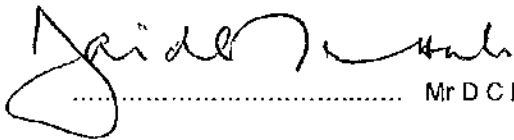
THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Statement of comprehensive Income (Including Income and Expenditure Account)

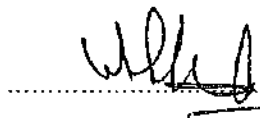
Year Ended 31 March 2019

| | | 2019 | 2018 |
|---|------|----------------|----------------|
| | Note | £ | £ |
| Turnover | 2 | 1,896,745 | 2,181,871 |
| Operating expenditure | 2 | (1,312,320) | (1,461,001) |
| Operating surplus | 2 | <u>584,425</u> | <u>720,870</u> |
| Interest payable and similar charges | 5 | (62,605) | (89,586) |
| Surplus on ordinary activities for the year | 3 | <u>521,820</u> | <u>631,284</u> |
| Total comprehensive income for the year | | <u>521,820</u> | <u>631,284</u> |

On behalf of the Board



..... Mr D C MATTOCKS (Chairman)



..... Mr M HOOPER



..... Mr G SINGH (Secretary)

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

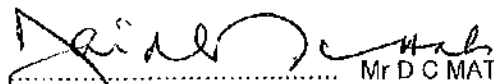
Statement of Financial Position

Year Ended 31 March 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible fixed assets | 8,9 | 10,557,148 | 10,797,286 |
| Investments in subsidiary | 10 | 1 | 1 |
| | | <u>10,557,149</u> | <u>10,797,287</u> |
| Current assets | | | |
| Stocks | 11 | 482,280 | 562,660 |
| Debtors | 12 | 78,143 | 64,963 |
| Cash at bank and in hand | | 246,457 | 244,983 |
| | | <u>806,880</u> | <u>872,606</u> |
| Creditors: amounts falling due within one year | 13 | (270,190) | (298,693) |
| Deferred Government grants due within one year | 15 | (126,370) | (126,370) |
| Net current assets | | <u>410,320</u> | <u>447,543</u> |
| Total assets less current liabilities | | 10,967,469 | 11,244,830 |
| Creditors: amounts falling due after more than one year | 14 | (1,056,994) | (1,729,805) |
| Deferred Government grants due after more than one year | 15 | (5,426,435) | (5,552,805) |
| Total net assets | | <u>4,484,040</u> | <u>3,962,220</u> |
| Reserves | | | |
| Called up share capital | 18 | 9 | 8 |
| Income and expenditure reserve | 19 | 4,484,031 | 3,962,212 |
| Total Reserves | | <u>4,484,040</u> | <u>3,962,220</u> |

The financial statements were approved and authorised for issue by the Board on 27 September 2019

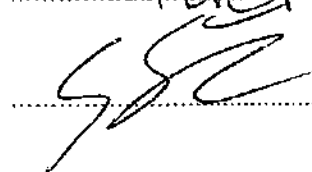
Signed on behalf of the Board


.....

Mr D C MATTOCKS (Chairman)


.....

Mr M HOOPER


.....

Mr G SINGH (Secretary)

The notes on pages 13 to 28 form part of these accounts.

THE SOLIHILL CARE HOUSING ASSOCIATION LIMITED

Statement of Changes in Equity / Reserves

Year Ended 31 March 2019

| | Called-up share capital | Income and expenditure reserve | Total |
|--------------------------------|----------------------------|--------------------------------------|------------------|
| | £ | £ | £ |
| At 1 st April 2017 | 8 | 3,330,928 | 3,330,936 |
| Surplus for the year | - | 631,284 | 631,284 |
| At 31 st March 2018 | <u>8</u> | <u>3,962,212</u> | <u>3,962,220</u> |
| Issued during the year | 1 | | 1 |
| Surplus for the year | - | 521,819 | 521,819 |
| At 31 st March 2019 | <u>9</u> | <u>4,484,031</u> | <u>4,484,040</u> |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Statement of Cash Flows

Year Ended 31 MARCH 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|------------------|
| Cash flow from operating activities | 20 | 798,385 | 1,067,796 |
| Interest paid | | (62,605) | (89,586) |
| Net cash flow from operating activities | | <u>735,780</u> | <u>978,210</u> |
| Cash flow from financing activities | | | |
| Repayment of long term loans | | (734,306) | (936,811) |
| Net cash flow from financing activities | | <u>(734,306)</u> | <u>(936,811)</u> |
| Net increase / (decrease) in cash and cash equivalents | | 1,474 | 41,399 |
| Cash and cash equivalents at 1st April 2018 | | 244,983 | 203,584 |
| Cash and cash equivalents at 31st March 2019 | | <u>246,457</u> | <u>244,983</u> |
| Cash and cash equivalents consists of: | | | |
| Cash at bank and in hand | | 246,457 | 244,983 |
| Cash and cash equivalents at 31st March 2019 | | <u>246,457</u> | <u>244,983</u> |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements

Year Ended 31 March 2019

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.

(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 2019

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 2019

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 2019

(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 2019

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 2019

(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 6 flats. This is £482,280 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 2019

2 Particulars of turnover, operating costs and operating surplus

| | 2019 | | |
|--|------------------|-----------------------|-------------------|
| | Turnover | Operating expenditure | Operating surplus |
| | £ | £ | £ |
| Social housing lettings | 1,497,764 | 1,229,610 | 268,154 |
| Other social housing activities | | | |
| First tranche property sales | 185,500 | 82,710 | 102,790 |
| Supporting people | 58,296 | | 58,296 |
| Amortised government grants | 126,370 | | 126,370 |
| Other | 28,815 | | 28,815 |
| | <u>398,981</u> | <u>82,710</u> | <u>316,271</u> |
| | <u>1,896,745</u> | <u>1,312,320</u> | <u>584,425</u> |
| | | 2018 | |
| | Turnover | Operating expenditure | Operating surplus |
| | £ | £ | £ |
| Social housing lettings | 1,399,872 | 1,210,218 | 189,654 |
| Other social housing activities | | | |
| First tranche property sales | 542,500 | 250,783 | 291,717 |
| Supporting people | 67,678 | - | 67,678 |
| Amortised government grants | 126,370 | - | 126,370 |
| Other | 45,451 | - | 45,451 |
| | <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> |
| | | 2019 | 2018 |
| | | £ | £ |
| Void losses | | 17,180 | 61,956 |

3 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging

| | 2019 | 2018 |
|---------------------------------------|---------|---------|
| | £ | £ |
| Auditor's remuneration for audit | 7,200 | 6,900 |
| Bad debts | 1,246 | 725 |
| Depreciation of tangible fixed assets | 238,034 | 239,038 |
| Depreciation of other assets | 2,104 | 2,112 |
| Operating rent | 46,548 | 47,458 |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements

Year Ended 31 March 2019

4 Accommodation owned and in management

| | Number of units at 31st March 2019 | Number of units at 31st 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 |
| | <hr/> | <hr/> |
| | 156 | 156 |
| | <hr/> | <hr/> |

5 Interest and other finance income and charges

a) Interest receivable and similar income

| | 2019 £ | 2018 £ |
|--------------------------|-------------------|-------------------|
| Bank interest receivable | - | - |
| | <hr/> | <hr/> |
| | - | - |
| | <hr/> | <hr/> |

b) Interest payable and similar charges

| | 2019 £ | 2018 £ |
|---------------------------|-------------------|-------------------|
| Bank loans and overdrafts | 62,605 | 89,586 |
| | <hr/> | <hr/> |
| | 62,605 | 89,586 |
| | <hr/> | <hr/> |

6 Board and key management personnel remuneration

Key management personnel received £37,361 (2018: £35,906) 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 2019

7 Staff costs

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

| | 2019 | 2018 |
|---|----------|----------|
| Head office management and administration | 5 | 4 |
| Housing management | 3 | 3 |
| Wardens, cleaners and maintenance | 3 | 3 |
| Support | 5 | 4 |
| | <hr/> 16 | <hr/> 14 |

The aggregate remuneration of such employees was as follows:

| | 2019 £ | 2018 £ |
|--------------------|---------------|---------------|
| Wages and salaries | 289,453 | 242,137 |
| Social security | 20,399 | 17,641 |
| Pension costs | 8,786 | 5,039 |
| | <hr/> 318,638 | <hr/> 264,817 |

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 2019

8 Tangible fixed assets – housing properties

| | Housing properties for letting | Shared ownership properties |
|--------------------------------|--------------------------------|-----------------------------|
| | £ | £ |
| Cost: | | |
| At 1 st April 2018 | 11,999,047 | 662,645 |
| At 31 st March 2019 | 11,999,047 | 662,645 |
| Depreciation: | | |
| At 1 st April 2018 | 1,806,914 | 59,596 |
| Charge for year | 224,782 | 13,252 |
| At 31 st March 2019 | 2,031,696 | 72,848 |
| Net book value: | | |
| At 31 st March 2019 | 9,967,351 | 589,797 |
| At 31 st March 2018 | 10,192,133 | 603,049 |
| | Property fixtures and fittings | Total |
| | £ | £ |
| Cost: | | |
| At 1 st April 2018 | 61,893 | 12,723,585 |
| At 31 st March 2019 | 61,893 | 12,723,585 |
| Depreciation: | | |
| At 1 st April 2018 | 61,893 | 1,928,403 |
| Charge for year | - | 238,034 |
| At 31 st March 2019 | 61,893 | 2,166,437 |
| Net book value: | | |
| At 31 st March 2019 | - | 10,557,148 |
| At 31 st March 2018 | - | 10,795,182 |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019

8 Tangible fixed assets – housing properties (continued)

The net book value of land and buildings comprised:

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Land and buildings: | | |
| Freehold | 9,384,388 | 9,608,862 |
| Long leasehold | 412,760 | 426,320 |
| Land | 760,000 | 760,000 |
| | <u>10,557,148</u> | <u>10,795,182</u> |
| Housing Property fixtures and fittings | - | - |
| | <u>10,557,148</u> | <u>10,795,182</u> |

Social housing properties with a net book value of £10,557,148 (2018 - £10,795,182) have been pledged as security for liabilities of the RP. These assets have restricted title.

9 Tangible fixed assets – other

| | Fixtures and fittings £ |
|--------------------------------|-------------------------------|
| Cost or valuation: | |
| At 1 st April 2018 | <u>10,538</u> |
| At 31 st March 2019 | <u>10,538</u> |
| Depreciation: | |
| At 1 st April 2018 | 8,434 |
| Charge for the year | <u>2,104</u> |
| At 31 st March 2019 | <u>10,538</u> |
| Net book value: | |
| At 31 st March 2019 | <u>-</u> |
| At 31 st March 2018 | <u>2,104</u> |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019

10 Fixed asset investments

| | Unlisted £ |
|----------------------------------|---------------|
| Cost | |
| At 31 March 2018 & 31 March 2019 | 1 |
| Net book value | |
| At 31 March 2019 | 1 |
| At 31 March 2018 | 1 |

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 (2018 - £Nil). Its accumulated capital and reserves at 31 March 2019 stands at £1 (2018 - £1).

11 Stocks

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| First tranche shared ownership properties: | | |
| Completed housing properties for sale | 482,280 | 562,660 |
| | <u>482,280</u> | <u>562,660</u> |

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

12 Debtors

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Trade debtors (gross social housing rent arrears, service charge arrears and Supporting People income outstanding) | 50,374 | 37,852 |
| Prepayments and accrued income | 27,614 | 27,111 |
| VAT | 155 | |
| | <u>78,143</u> | <u>64,963</u> |

13 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Bank loans and overdrafts | 112,774 | 174,269 |
| Trade creditors | 70,802 | 54,053 |
| Creditor in respect of Parkgate Development | 10,000 | 10,000 |
| Other creditors | 13,451 | 8,778 |
| Rents in advance | 42,410 | 29,278 |
| Accruals and deferred income | 20,753 | 22,315 |
| | <u>270,190</u> | <u>298,693</u> |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019

| 14 Creditors: amounts falling due after more than one year | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Bank loans and overdrafts | <u>1,056,994</u> | <u>1,729,805</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.

| | 2019 £ | 2018 £ |
|---------------------|------------------|------------------|
| Due within one year | 126,370 | 126,370 |
| Due after one year | <u>5,426,435</u> | <u>5,552,805</u> |
| | <u>5,552,805</u> | <u>5,679,175</u> |

Such grants are only repayable in certain circumstances

16 Borrowings

| | 2019 Housing Loans £ | 2018 Housing Loans £ |
|---------------------------------|-------------------------------|-------------------------------|
| Less than one year or on demand | 112,774 | 174,269 |
| Between one and two years | 120,412 | 167,789 |
| Between two and five years | 398,166 | 391,807 |
| After five years | <u>538,416</u> | <u>1,170,209</u> |
| | <u>1,169,768</u> | <u>1,904,074</u> |

Loans totalling £1,169,768 are secured by specific charges on the RP housing properties.

At the year end the loans relating to housing properties.

| | Interest rate | 2019 £ | 2018 £ |
|----------------------------------|----------------------|------------------|------------------|
| Phoenix House fixed term | 4.85% | 413,113 | 448,586 |
| Phoenix House variable rate | 2.9% above base rate | - | 104,555 |
| | | <u>413,113</u> | <u>553,141</u> |
| Trinity Apartments variable rate | 2.7% above base rate | <u>756,655</u> | <u>1,350,933</u> |
| | | <u>756,655</u> | <u>1,350,933</u> |
| Total | | <u>1,169,768</u> | <u>1,904,074</u> |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019

17 Leasing commitments

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

| | 2019 Land & buildings £ | 2018 Land & buildings £ |
|--|----------------------------------|----------------------------------|
| Not later than one year | 43,534 | 47,462 |
| Later than one and not later than five years | 142,712 | 150,568 |
| Later than five years | 291,370 | 327,048 |
| | <hr/> 477,616 | <hr/> 525,078 |

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 2018 | 9 | 9 |
| At 31 March 2019 | <hr/> 9 | <hr/> 9 |

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.

19 Reserves

| | 2019 £ | 2018 £ |
|-----------------------------|-----------------|-----------------|
| Balance as at 1 April 2018 | 3,962,212 | 3,330,928 |
| Surplus for the year | 521,819 | 631,284 |
| Balance as at 31 March 2019 | <hr/> 4,484,031 | <hr/> 3,962,212 |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019

20 Reconciliation of operating surplus to cash flow from operating activities

| | 2019 | 2018 |
|--|----------------|------------------|
| | £ | £ |
| Operating surplus for the year | 584,425 | 720,870 |
| Depreciation and impairment of tangible fixed assets | 240,138 | 241,150 |
| Decrease in stock | 80,380 | 241,137 |
| (Increase) / decrease in trade and other debtors | (13,180) | (31,610) |
| Increase / (decrease) in trade and other creditors | 32,992 | 22,619 |
| Government grants utilised in the year | (126,370) | (126,370) |
| Net cash flow from operating activities | <u>798,385</u> | <u>1,067,796</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

24 Financial Instruments

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

| | 2019 | 2018 |
|--|------------------|------------------|
| | £ | £ |
| <i>Financial assets</i> | | |
| Debt instruments measured at amortised cost | | |
| -Trade debtors (note 12) | 50,374 | 37,852 |
| -Other Debtors (note 12) | 27,769 | 27,111 |
| | <u>78,143</u> | <u>64,963</u> |
| Equity instruments measured at cost less impairment: | | |
| -Fixed asset unlisted investments (note 10) | 1 | 1 |
| | <u>78,144</u> | <u>64,964</u> |
| <i>Financial liabilities</i> | | |
| Measured at amortised cost | | |
| -Bank loans and overdraft | 1,169,768 | 1,904,074 |
| -Trade creditors (notes 13-14) | 123,212 | 93,331 |
| -Other creditors (notes 13-14) | 34,204 | 31,093 |
| | <u>1,327,184</u> | <u>2,028,498</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 (2018 - £0) and £62,605 (2018 - £89,586) respectively.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019

25 Post balance sheet events

Since the balance sheet date, the association has completed the sale of an apartment at Trinity for £180,000.

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019

| | 2019 | | 2018 | |
|--|-----------|--------------------|-----------|--------------------|
| | £ | £ | £ | £ |
| Income | | | | |
| Rents | | 1,268,063 | | 1,219,299 |
| Void rents | | (4,944) | | (21,275) |
| Shared ownership service charges | | 111,548 | | 122,650 |
| Void service charges | | (12,236) | | (40,682) |
| Income from resales | | 13,189 | | 17,600 |
| Care provider licence fee | | 135,333 | | 133,854 |
| Housing related support | | 58,296 | | 67,678 |
| Hire of rooms | | 4,583 | | 4,575 |
| Other income | | 11,043 | | 9,302 |
| Total income | | <u>1,584,875</u> | | <u>1,513,001</u> |
| Expenditure | | | | |
| Catering costs | 216,554 | | 205,550 | |
| Catering salaries | 1,480 | | - | |
| Service maintenance contracts | 46,859 | | 51,234 | |
| Equipment | 9,098 | | 7,556 | |
| Building and equipment maintenance | 60,397 | | 104,126 | |
| Maintenance salaries | 36,029 | | 19,705 | |
| Cleaning and waste disposal | 62,822 | | 58,485 | |
| Salaries | 281,129 | | 244,663 | |
| Staff expenses | 1,000 | | 1,559 | |
| Rent, council tax and void council tax | 49,000 | | 60,450 | |
| Heat, light and power | 87,445 | | 76,414 | |
| Water | 17,359 | | 20,247 | |
| Telephone | 11,192 | | 10,925 | |
| Grounds Maintenance | 8,979 | | 7,883 | |
| Van expenses | 4,083 | | 4,247 | |
| Stationery and postage | 3,000 | | 2,826 | |
| Travelling | 3,135 | | 2,187 | |
| Computer maintenance | 4,424 | | 4,820 | |
| Computer equipment | 1,874 | | 1,775 | |
| Printing | 2,970 | | 2,561 | |
| Training | 2,415 | | 725 | |
| Insurance | 18,802 | | 17,967 | |
| Subscriptions and licences | 5,472 | | 4,926 | |
| Sundry expenses | 3,861 | | 1,795 | |
| Bank charges | 434 | | 367 | |
| Consultancy and professional fees | 7,087 | | 6,660 | |
| Audit | 7,200 | | 6,900 | |
| Bank loan interest | 62,605 | | 89,586 | |
| Bad debts | 1,246 | | 725 | |
| Depreciation | 240,138 | | 241,150 | |
| Amortisation of grants | (126,370) | | (126,370) | |
| | 1,131,719 | | 1,131,644 | |
| Building maintenance planned | 34,127 | | 41,791 | |
| Total expenditure | | <u>(1,165,846)</u> | | <u>(1,173,435)</u> |
| Surplus before property sales | | <u>419,029</u> | | <u>339,566</u> |
| Sale of Apartments | 185,500 | | 542,500 | |
| Cost of apartments | (82,710) | | (250,783) | |
| Surplus on property sales | | <u>102,790</u> | | <u>291,717</u> |
| Net surplus | | <u>521,819</u> | | <u>631,283</u> |

THE SOLIHULL CARE HOUSING ASSOCIATION LIMITED

Notes to the Financial Statement

Year Ended 31 March 2019
