

**REGISTERED COMPANY NUMBER: 00541304 (England and Wales)**

**REGISTERED CHARITY NUMBER: 228037**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
FOR  
SOLDEN HILL HOUSE LIMITED**

**SOLDEN HILL HOUSE LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2020**

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**SOLDEN HILL HOUSE LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 MARCH 2020**

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|--------------------------------------|--|
| <b>TRUSTEES</b>                      | J Batchelor<br>S E Bown (Finance Director)<br>W Coleman<br>T R Espley (Vice Chair)<br>E J Ferguson (Vice Chair) (resigned 28/6/2019)<br>D G Fuller (resigned 17/8/2019)<br>E Horton (Chair)<br>E C Wardlaw |
| <b>COMPANY SECRETARY</b>             | M Z Lewis  |
| <b>REGISTERED OFFICE</b>             | Banbury Road<br>Byfield<br>Daventry<br>Northamptonshire<br>NN11 6UA  |
| <b>REGISTERED COMPANY<br/>NUMBER</b> | 00541304 (England and Wales)   |
| <b>REGISTERED CHARITY<br/>NUMBER</b> | 228037   |
| <b>AUDITORS</b>                      | DNG Dove Naish LLP, Statutory Auditor<br>Eagle House<br>28 Billing Road<br>Northampton<br>Northamptonshire<br>NN1 5AJ  |
| <b>BANKERS</b>                       | Lloyds Bank<br>12 High Street<br>Banbury<br>Oxfordshire<br>OX16 5EF  |
| <b>GENERAL MANAGER</b>               | Richard Smith  |

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The charity's objectives as set out in its Mission Statement are:

- to provide a supportive, stimulating and safe home for adults with a wide range of disabilities by the provision of residential accommodation and of facilities for learning and recreation at the Charity's premises in Byfield in the county of Northamptonshire or elsewhere,
- to provide support for adults with a wide range of disabilities at the Charity's premises in Byfield in the county of Northamptonshire or elsewhere.
- to help and encourage adults with a wide range of learning disabilities to develop their full potential by supporting them in achieving their goals while celebrating their individuality, particularly by the application of the principles of Rudolf Steiner

**Strategies and Activities**

The principle activity of the company is to deliver residential and supported living services for individuals with an age range of 15 to 65, with a caveat from CQC that all our residents will have the choice to remain in placement until their specific needs warrant nursing support. We cater for a range of profound conditions which predominantly involve learning disability, autistic spectrum disorder and downs syndrome.

The company recognise the various risks to the business. The main area of risk is maintaining appropriate accommodation for the ever changing needs of the occupants, and this ultimately has a bearing on the company's ability to attract new residents. This risk is managed by ongoing review and where appropriate development of its properties to meet future demands, and a continuing focus on employee training and development of staff to ensure that the skill levels and the understanding of the company quality standards and future strategy is excellent. Established internal monitoring systems are in place to manage the requirements not only of the company but of those who regulate the business.

Although it is impossible to significantly influence the subject of national public sector funding and local authority rates paid for care, the General Manager and Trustees are actively managing the risk by maintaining close dialogue and relationships with the relevant bodies by negotiating and lobbying to improve rates with an emphasis on keeping the subject of satisfactory care high on the social agenda.

The recently improved management structure has allowed for a strategic direction to be set in place that seeks enhanced service provision for our residents by updating existing facilities, improving our market place setting, improving our succession planning around occupancy and creating progression for our staff.

**The focus of our work**

The charity's main objectives for the year continued to be improving the lives of all residents.

The strategies used to meet these objectives include:

- Improving community links;
- Ensuring residents have choice and control over their lives ;
- Focusing all staff on completing mandatory and specific training ;
- Working in partnership with other agencies to secure the widest range of services available.

Aims, objectives and activities are reviewed each year. This review looks at what was achieved and the outcomes of work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to residents.

The home will continue to be open without restriction to people from whatever means.



## **OBJECTIVES AND ACTIVITIES**

### **Significant activities**

During the year under review the charity provided care for 30 residents; 28 residential placements and 2 supported living placements. This was not at full capacity of 33 due to the impact of building conversion and the decision to avoid provision of outside accommodation for residents during this time of change.

No inspections have been carried out by any of our main stakeholders which include CQC and Northamptonshire County Council who are our main safeguarding agency.

Our inspection ratings remain 'Good'.

The hard work and dedication of all staff has again maintained a tight control over expenditure. The Trustees are satisfied that the objects of the charity have been achieved.

### **Summary of main achievements**

The charity made progress on the following:

- Continued upgrades to Solden House and Apps House to promote inclusion and accessibility for all. As part of this areas within both homes and grounds have been created which will help us to generate further charitable income. The grounds at Solden Hill House have been further developed to be access friendly for all and to promote health and well-being - these developments have been well received.
- The continued development of staff has been bolstered through further workshop sessions and the appointment of OPPS Training allows for all of our staff to achieve nationally recognised qualifications within Health & Social Care.
- All of our homes now have a Home Manager, Deputy Home Manager and Link Support Workers which helps to ensure that we have an excellent knowledge base which is consistent at each site. The introduction of a Head of Care during the year will help to ensure that the registrations are maintained through a stringent audit process which caters for all aspects of compliance. The appointment will allow the General Manager to oversee future developments and expansion of activities provided by the charity safe in the knowledge that the care is expertly overseen. The position of Link Support Worker will advance the use of the activities Suite this promoting positive outcomes with local authority and CCG representatives.
- The charity was successful in its application to be part of the Northamptonshire Adult Social Services (NASS) tender framework where it was awarded joint first from 174 provider applicants. As well as strengthening our position to attract new residents this gives the opportunity to provide a lifelong living skills programme to external clients which will create a further revenue stream.
- The charity has moved from a web based care planning process to a new person centred paperwork system which better allows an effective and efficient care planning process.

### **Public benefit**

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken by the charity during the year. Solden Hill House's charitable objects are enshrined within its memorandum and articles and as such the Trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services aimed at those with learning disabilities. This report allows us to show how charitable funds are spent, the impact and benefits that these have on those using our services and the wider impact on society.

The Trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.



## **FINANCIAL REVIEW**

### **Financial position**

The income for the year was virtually unchanged at £1,573,585 compared to £1,569,101 for the previous year. Income arises predominantly from fees for residents. Occupancy at 30 residents was below last year when we cared for full capacity of 33. The impact of a reduced number of residents was offset by increases in fee rates from local authorities.

Costs increased to £1,490,985 (2019: £1,453,158), this arising from an increase in employee costs through improved pay rates and employment costs partially offset by savings in volunteer costs, catering and property repairs.

All investments were sold during the year to provide funds for the conversion of The Lodges into supported living accommodation. This realised a profit of £4,750 compared to unrealised gains of £15,214 in 2019.

The Directors consider that the Designated Reserve of £150,000 for property repairs is no longer needed due to the extensive refurbishment programme carried out over recent years. This has been transferred to General fund.

During the year the charity made arrangements to segregate its share of the multi-employer defined benefit pension scheme and in order to do this made a settlement into the main section of the scheme of £105,000 being its share of orphan member liabilities. This removed any exposure to further liabilities in respect of scheme members outside of its own section. Details of the assets and liabilities of the charity section are more fully described in note 20 to the Accounts. As a result of this payment and regular monthly payments into the scheme the provision for liabilities, being future payments to make up the estimated funding shortfall, has decreased by £234,425 to £1,136,938. A reduction in recovery plan payments was negotiated with the scheme Trustee with effect from 1 January 2020, these falling to £40,000 per annum from the 2019 level of £68,613, this made possible by the greatly improved risk covenant of the charity on a standalone basis compared to the covenant applicable to the scheme as a whole. These payments will increase to £63,600 per annum with effect from 1 January 2023 and will be uplifted thereafter by 5% per annum, until the shortfall is fully funded by October 2036. These are paid from current income.

Whilst there has been stockmarket volatility since the outbreak of COVID-19 the Directors have no reason to believe that the short term reduction in the value of investments within the Solden section of the scheme will have a long term impact on the scheme or level of recovery plan payments. The next formal revaluation of the scheme will take place in December 2022.

The above resulted in a surplus for the year of £144,208, compared to the previous year deficit of £83,285.

The capital commitment referred to in note 22 relates to the remaining costs of refurbishing, extending and fitting out the Lodges.

### **Principal funding sources**

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

### **Investment policy and objectives**

Gore Browne Investment Management have acted as the charity's investment advisors. As noted above the investment portfolio was liquidated in 2019. Bank accounts continue to be diversified from predominantly Lloyds Bank PLC to minimise risk and earn some interest income; three deposit accounts continue to be managed with holdings of up to £85,000 in each.

The objective of these investments is to obtain the best financial return with an acceptable level of risk. A total return approach is followed to generate a reliable dividend and interest stream together with capital growth thereby seeking to optimise overall returns. Sufficient cash funds are retained to meet short term needs. The Trustees deem the returns on these investments to be reasonable.

## **FINANCIAL REVIEW**

### **Reserves policy**

The Trustees regularly re-examine the charity's reserves policy and have assessed the requirement for unrestricted reserves on a risk based analysis of all income and expenditure. The principle risk to the organisation is occupancy level which directly impacts income, and secondary risks are the level of staff, property maintenance costs and the pension fund deficit. This assessment indicates that unrestricted reserves excluding those tied up in property cost should be maintained in the range of £400k-£500k, reduced by £250k from last year. The reduction arises from reduced risk related to residential income due to very high demand, and removal of the designated reserve held for property maintenance as a consequence of the extensive refurbishment programme now completed.

The Trustees are constantly monitoring the impact of COVID-19 on the charity. Strict controls over sit access, restrictions on the movements of residents both externally and within separate houses, and modifications to daily activities are in place to minimise the risk of any outbreak in the home. No new or returning residents are allowed access without testing to prove free of the virus. Staff are required to self isolate for 14 days if showing any symptoms or reporting close contact with anyone showing symptoms. Other than additional costs incurred for personal protective equipment, held in the event of need, the charity finances have not been affected to date.

The level of reserves held at the end of the year was £3,404,568, (2019: £3,260,360); this includes the property revaluation surplus of £2,699,318. More details are included in note 21 to the accounts. Unrestricted reserves were £1,086,594, (2019: £920,198). Excluding those reserves invested in fixed assets and adding back the reserves absorbed by the pension fund deficit which is being met by annual payments to the recovery plan the available unrestricted reserves are £336,218 (2019: £656,875), i.e. held in cash, investments and working capital. The reduction arises from the increased level of investment in buildings - the Lodges conversion - and from cash expended to reduce the pension fund deficit. These actions will increase future earning capability from a higher occupancy availability and reduction in pension fund recovery plan payments. Recognising these factors it is the view of the Trustees that the company has adequate but not excessive reserves to meet its obligations as they fall due.



**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

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**FUTURE PLANS**

The Trustees have carried out and regularly update a strategic review to ensure that Solden Hill continues to evolve recognising the changing needs of its residents and Local Authority clients whilst continuing to achieve its objectives. This review has also identified the opportunity to expand capacity by better use of existing properties owned.

Specific plans include:

- As part of the acceptance onto the NASS Tender framework we will develop existing facilities to create a step down care followed potentially by respite and holiday accommodation for both permanent and visiting clients.
- The two Lodge houses on the site are being converted for use as supported living accommodation for 6 clients and this will increase resident capacity to 39.
- Flora Innes House is to be converted and reconfigured to provide a step down facility, retaining its existing capacity for 9 residents.
- Board recruitment is ongoing, seeking a broadening of skill base and appropriate succession planning.
- Very close monitoring of COVID-19 virus and the application of strict controls as outlined above will be followed for as long as is necessary. No significant impact on the finances of the charity is anticipated arising from this, although it could impact on the timing of arrival of new residents should restrictions remain in place into 2021.

We continue to focus on the community philosophy which is fundamental to the 'Steiner' ethos that underpins our values and beliefs. Our transparent approach to all stakeholders allows for healthy discussion and debate which is paramount to establishing a responsive and proactive culture with everything that we undertake.

We will continue to promote inclusion for everyone that works with or alongside Solden Hill House Ltd and its affiliates.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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

**Recruitment and appointment of new trustees**

Trustee vacancies are advertised. New Trustees are elected to the board by majority vote of existing Trustees after consultation with the management.

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

**Organisational structure**

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

**Key management remuneration**

This is set out in note 10 in the financial statements. The policy for setting remuneration is at the direction of the Directors and an annual review is undertaken.



**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

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

Procedures are in place to ensure compliance with health and safety of staff, volunteers, service users and visitors to the centre. These procedures are periodically reviewed to ensure that they continue to meet ongoing requirements and have been recently significantly ramped up to protect residents and staff from COVID-19.

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

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

In so far as the trustees are aware:

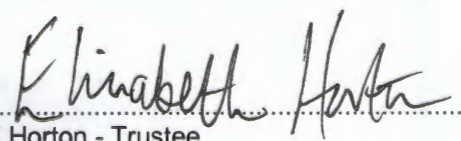
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, DNG Dove Naish LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on June 1<sup>st</sup> 2020 and signed on its behalf by:

  
.....

E Horton - Trustee



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOLDEN HILL HOUSE LIMITED**

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### **Opinion**

We have audited the financial statements of Solden Hill House Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOLDEN HILL HOUSE LIMITED

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

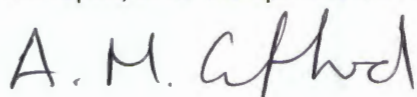
### **Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

### **Use of our report**

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



Andrew Clifford (Senior Statutory Auditor)  
for and on behalf of DNG Dove Naish LLP, Statutory Auditor  
Eagle House  
28 Billing Road  
Northampton  
Northamptonshire  
NN1 5AJ

Date: 6 July 2020

**SOLDEN HILL HOUSE LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

|  | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ | 2019<br>Total<br>funds<br>£ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>        |       |                            |                          |                             |                             |
| Donations and legacies                   | 3     | 28,382                     | -                        | 28,382                      | 23,681                      |
| <b>Charitable activities</b>             | 5     |                            |                          |                             |                             |
| General Care                             |       | 1,349,539                  | -                        | 1,349,539                   | 1,424,639                   |
| Supported Living                         |       | 188,653                    | -                        | 188,653                     | 109,476                     |
| Investment income                        | 4     | <u>7,011</u>               | <u>-</u>                 | <u>7,011</u>                | <u>11,305</u>               |
| <b>Total</b>                             |       | 1,573,585                  | -                        | 1,573,585                   | 1,569,101                   |
| <b>EXPENDITURE ON</b>                    |       |                            |                          |                             |                             |
| <b>Charitable activities</b>             | 6     |                            |                          |                             |                             |
| General Care                             |       | 1,379,235                  | 16,826                   | 1,396,061                   | 1,398,073                   |
| Supported Living                         |       | 94,924                     | -                        | 94,924                      | 55,085                      |
| Provision for deferred pension liability | 11    | <u>(56,858)</u>            | <u>-</u>                 | <u>(56,858)</u>             | <u>214,442</u>              |
| <b>Total</b>                             |       | 1,417,301                  | 16,826                   | 1,434,127                   | 1,667,600                   |
| Net gains on investments                 |       | <u>4,750</u>               | <u>-</u>                 | <u>4,750</u>                | <u>15,214</u>               |
| <b>NET INCOME/(EXPENDITURE)</b>          |       | 161,034                    | (16,826)                 | 144,208                     | (83,285)                    |
| <b>Transfers between funds</b>           | 21    | <u>5,362</u>               | <u>(5,362)</u>           | <u>-</u>                    | <u>-</u>                    |
| <b>Net movement in funds</b>             |       | 166,396                    | (22,188)                 | 144,208                     | (83,285)                    |
| <b>RECONCILIATION OF FUNDS</b>           |       |                            |                          |                             |                             |
| <b>Total funds brought forward</b>       |       | 920,217                    | 2,340,162                | 3,260,379                   | 3,343,664                   |
| <b>TOTAL FUNDS CARRIED FORWARD</b>       |       | <u>1,086,613</u>           | <u>2,317,974</u>         | <u>3,404,587</u>            | <u>3,260,379</u>            |

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.



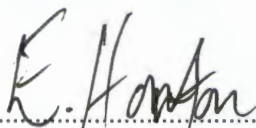
**SOLDEN HILL HOUSE LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
**31 MARCH 2020**

|  | Notes | 2020<br>£          | 2019<br>£          |
|--|-------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                          |       |                    |                    |
| Tangible assets                              | 13    | 4,198,155          | 3,938,812          |
| Investments                                  | 14    | -                  | 256,653            |
|  |       | <u>4,198,155</u>   | <u>4,195,465</u>   |
| <b>CURRENT ASSETS</b>                        |       |                    |                    |
| Stocks                                       | 15    | 1,635              | 4,903              |
| Debtors                                      | 16    | 97,126             | 142,658            |
| Cash at bank and in hand                     |       | <u>377,953</u>     | <u>439,273</u>     |
|  |       | <u>476,714</u>     | <u>586,834</u>     |
| <b>CREDITORS</b>                             |       |                    |                    |
| Amounts falling due within one year          | 17    | (133,344)          | (150,557)          |
|  |       | <u>343,370</u>     | <u>436,277</u>     |
| <b>NET CURRENT ASSETS</b>                    |       |                    |                    |
|  |       | <u>4,541,525</u>   | <u>4,631,742</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                    |                    |
|  |       | <u>(1,136,938)</u> | <u>(1,371,363)</u> |
| <b>NET ASSETS</b>                            |       | <u>3,404,587</u>   | <u>3,260,379</u>   |
| <b>FUNDS</b>                                 | 21    |                    |                    |
| Unrestricted funds                           |       | 1,086,613          | 920,217            |
| Restricted funds                             |       | <u>2,317,974</u>   | <u>2,340,162</u>   |
| <b>TOTAL FUNDS</b>                           |       | <u>3,404,587</u>   | <u>3,260,379</u>   |

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 11th JUNE 2020 and were signed on its behalf by:

  
.....  
E Horton - Trustee

**SOLDEN HILL HOUSE LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020**

|   | Notes | 2020<br>£             | 2019<br>£             |
|---|-------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                                   |       |                       |                       |
| Cash generated from operations  | 24    | <u>(56,747)</u>       | <u>35,737</u>         |
| Net cash (used in)/provided by operating activities                           |       | <u>(56,747)</u>       | <u>35,737</u>         |
| <b>Cash flows from investing activities</b>                                   |       |                       |                       |
| Purchase of tangible fixed assets   |       | (275,935)             | (110,832)             |
| Sale of tangible fixed assets   |       | 2,948                 | -                     |
| Sale of fixed asset investments   |       | 261,403               | -                     |
| Interest received   |       | 3,561                 | 3,895                 |
| Dividends received  |       | <u>3,450</u>          | <u>7,410</u>          |
| Net cash used in investing activities   |       | <u>(4,573)</u>        | <u>(99,527)</u>       |
|   |       | <hr/>                 | <hr/>                 |
| <b>Change in cash and cash equivalents<br/>in the reporting period</b>        |       | (61,320)              | (63,790)              |
| <b>Cash and cash equivalents at the<br/>beginning of the reporting period</b> |       | <u>439,273</u>        | <u>503,063</u>        |
| <b>Cash and cash equivalents at the end<br/>of the reporting period</b>       |       | <u><u>377,953</u></u> | <u><u>439,273</u></u> |

The notes form part of these financial statements



**1. CHARITY INFORMATION**

Solden Hill House Limited is a private company limited by shares registered in England and Wales. The charity's number and registered office address can be found in the Report of the Trustees.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

**Going concern**

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees 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. Revision 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 revision and future periods where the revision affects both current and future periods.

**Critical judgements**

The present value of the Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant are recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Local council residents fees are recognised in full in the Statement of Financial Activities in the year in which they are receivable.



## 2. ACCOUNTING POLICIES - continued

### Income

Sundry income, including one-off payments for additional assistance for residents, is recognised on a receivable basis.

Investment income, including dividends, is recognised in the period it is received.

### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### Charitable activities

These are costs incurred on the charity's operations, including support costs and costs relating to governance of the charity apportioned to charitable activities.

### Non-charitable activities

These costs include gains/losses on fixed asset disposals and charges incurred on the provision for the deferred pension liability.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |                               |
|-----------------------|-------------------------------|
| Fixtures and fittings | - Straight line over 10 years |
| Motor vehicles        | - Straight line over 4 years  |
| Computer equipment    | - Straight line over 3 years  |

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The trustees are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The trustees consider that the individual carrying values of assets are supportable by their value in use.

### Fixed asset investments

Fixed asset investments are initially measured at transaction price including transaction costs, are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year.

### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### Taxation

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

### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees unless some of these funds have been designated for specified purposes.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. ACCOUNTING POLICIES - continued**

**Fund accounting**

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme and a stakeholder scheme for the benefit of its employees. Contributions payable to the charitable company's pension schemes are charged to the Statement of Financial Activities in the period to which they relate. The defined benefit scheme is now closed.

**Financial instruments**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

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 under administrative expenses.

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

**Provisions**

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period it arises.

**Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

**Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**3. DONATIONS AND LEGACIES**

|           | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ | 2019<br>Total<br>funds<br>£ |
|-----------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Donations | 28,382                     | -                        | 28,382                      | 18,181                      |
| Grants    | -                          | -                        | -                           | 5,500                       |
|           | <u>28,382</u>              | <u>-</u>                 | <u>28,382</u>               | <u>23,681</u>               |

Grants received, included in the above, are as follows:

|                     | 2020<br>£ | 2019<br>£    |
|---------------------|-----------|--------------|
| Screwfix Foundation | -         | 3,500        |
| Tilney Foundation   | -         | 2,000        |
|                     | <u>-</u>  | <u>5,500</u> |

**4. INVESTMENT INCOME**

|                                | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ | 2019<br>Total<br>funds<br>£ |
|--------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Income from listed investments | 3,450                      | -                        | 3,450                       | 7,410                       |
| Interest receivable            | <u>3,561</u>               | <u>-</u>                 | <u>3,561</u>                | <u>3,895</u>                |
|                                | <u>7,011</u>               | <u>-</u>                 | <u>7,011</u>                | <u>11,305</u>               |

**5. INCOME FROM CHARITABLE ACTIVITIES**

|                          | Activity         | 2020<br>£        | 2019<br>£        |
|--------------------------|------------------|------------------|------------------|
| Fees and allowances      | General Care     | 1,349,389        | 1,412,108        |
| Other income             | General Care     | 150              | 12,531           |
| Fees and allowances      | Supported Living | 173,239          | 98,802           |
| Charitable rental income | Supported Living | 15,414           | 9,302            |
| Other income             | Supported Living | -                | 1,372            |
|                          |                  | <u>1,538,192</u> | <u>1,534,115</u> |



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**6. CHARITABLE ACTIVITIES COSTS**

|                  | Direct<br>Costs<br>£ | Support<br>costs (see<br>note 7)<br>£ | Totals<br>£      |
|------------------|----------------------|---------------------------------------|------------------|
| General Care     | 1,389,484            | 6,577                                 | 1,396,061        |
| Supported Living | 94,924               | -                                     | 94,924           |
|                  | <u>1,484,408</u>     | <u>6,577</u>                          | <u>1,490,985</u> |

**Description of charitable activities**General care

General care provides full-time general residential care to adults with a wide range of disabilities.

Supported living

Supported living provides support to adults with a wide range of disabilities to live independent lives within their own tenancy at Giles House.

**7. SUPPORT COSTS**

|              | Finance<br>£ | Governance<br>costs<br>£ | Totals<br>£  |
|--------------|--------------|--------------------------|--------------|
| General Care | <u>1,222</u> | <u>5,355</u>             | <u>6,577</u> |

Support costs, included in the above, are as follows:

|                        | 2020<br>General<br>Care<br>£ | 2019<br>Total<br>activities<br>£ |
|------------------------|------------------------------|----------------------------------|
| Bank charges           | 1,222                        | 1,032                            |
| Auditors' remuneration | 4,320                        | 4,200                            |
| Trustees insurance     | <u>1,035</u>                 | <u>1,151</u>                     |
|                        | <u>6,577</u>                 | <u>6,383</u>                     |

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|  | 2020<br>£    | 2019<br>£     |
|--|--------------|---------------|
| Auditors' remuneration                   | 4,320        | 4,200         |
| Depreciation - owned assets              | 13,667       | 9,912         |
| Surplus on disposal of fixed assets      | (23)         | -             |
| Auditors remuneration for non-audit work | <u>6,837</u> | <u>12,960</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

**Trustees' expenses****Trustee's indemnity insurance**

There was a payment of trustee's indemnity insurance during the year of £1,035 (2019: £1,151).

**Trustees expenses**

Two trustees were paid £503 (2019:£166) for travel and subsistence in the financial year.

**10. STAFF COSTS**

|                       | 2020             | 2019           |
|-----------------------|------------------|----------------|
|                       | £                | £              |
| Wages and salaries    | 940,988          | 882,170        |
| Social security costs | 71,277           | 59,423         |
| Other pension costs   | <u>48,679</u>    | <u>40,322</u>  |
|                       | <u>1,060,944</u> | <u>981,915</u> |

The total employee benefits of the key management personnel of the Charity were £191,522 (2019: £174,341).

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

|                 | 2020      | 2019      |
|-----------------|-----------|-----------|
|                 | <u>43</u> | <u>44</u> |
| Total employees |           |           |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                   | 2020     | 2019     |
|-------------------|----------|----------|
|                   | <u>1</u> | <u>-</u> |
| £60,001 - £70,000 |          |          |

**11. PENSIONS**

Resources expended include a credit of £56,858 (2019: debit of £214,442) in respect of the movement of the charitable company's share of its liability under a recovery plan for the Mercury Provident Pension Scheme in the year. The recovery plan was reviewed by the Pension Trustee when the company segregated its assets and liabilities as at 1 October 2019. Future contributions to the recovery plan are being updated as set out in note 19 and under the conservative assumptions made are expected to be payable until October 2036. These have been discounted to arrive at their present value as at 31 March 2020.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|--|----------------------------|--------------------------|---------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>        |                            |                          |                     |
| Donations and legacies                   | 13,181                     | 10,500                   | 23,681              |
| <b>Charitable activities</b>             |                            |                          |                     |
| General Care                             | 1,424,639                  | -                        | 1,424,639           |
| Supported Living                         | 109,476                    | -                        | 109,476             |
| Investment income                        | <u>11,305</u>              | <u>-</u>                 | <u>11,305</u>       |
| <b>Total</b>                             | 1,558,601                  | 10,500                   | 1,569,101           |
| <b>EXPENDITURE ON</b>                    |                            |                          |                     |
| <b>Charitable activities</b>             |                            |                          |                     |
| General Care                             | 1,397,199                  | 874                      | 1,398,073           |
| Supported Living                         | 55,085                     | -                        | 55,085              |
| Provision for deferred pension liability | <u>214,442</u>             | <u>-</u>                 | <u>214,442</u>      |
| <b>Total</b>                             | 1,666,726                  | 874                      | 1,667,600           |
| Net gains on investments                 | <u>15,214</u>              | <u>-</u>                 | <u>15,214</u>       |
| <b>NET INCOME/(EXPENDITURE)</b>          | (92,911)                   | 9,626                    | (83,285)            |
| <b>RECONCILIATION OF FUNDS</b>           |                            |                          |                     |
| Total funds brought forward              | 1,013,128                  | 2,330,536                | 3,343,664           |
| <b>TOTAL FUNDS CARRIED FORWARD</b>       | <u>920,217</u>             | <u>2,340,162</u>         | <u>3,260,379</u>    |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**13. TANGIBLE FIXED ASSETS**

|                        | Freehold<br>property<br>£ | Improvements<br>to<br>property<br>£ | Fixtures<br>and<br>fittings<br>£ |
|------------------------|---------------------------|-------------------------------------|----------------------------------|
| <b>COST</b>            |                           |                                     |                                  |
| At 1 April 2019        | 3,770,000                 | 121,171                             | 416,105                          |
| Additions              | -                         | 253,213                             | 14,522                           |
| Disposals              | -                         | -                                   | -                                |
| At 31 March 2020       | <u>3,770,000</u>          | <u>374,384</u>                      | <u>430,627</u>                   |
| <b>DEPRECIATION</b>    |                           |                                     |                                  |
| At 1 April 2019        | -                         | -                                   | 395,142                          |
| Charge for year        | -                         | -                                   | 3,459                            |
| Eliminated on disposal | -                         | -                                   | -                                |
| At 31 March 2020       | -                         | -                                   | <u>398,601</u>                   |
| <b>NET BOOK VALUE</b>  |                           |                                     |                                  |
| At 31 March 2020       | <u>3,770,000</u>          | <u>374,384</u>                      | <u>32,026</u>                    |
| At 31 March 2019       | <u>3,770,000</u>          | <u>121,171</u>                      | <u>20,963</u>                    |
|                        | Motor<br>vehicles<br>£    | Computer<br>equipment<br>£          | Totals<br>£                      |
| <b>COST</b>            |                           |                                     |                                  |
| At 1 April 2019        | 67,315                    | 29,855                              | 4,404,446                        |
| Additions              | 6,450                     | 1,750                               | 275,935                          |
| Disposals              | (3,600)                   | (452)                               | (4,052)                          |
| At 31 March 2020       | <u>70,165</u>             | <u>31,153</u>                       | <u>4,676,329</u>                 |
| <b>DEPRECIATION</b>    |                           |                                     |                                  |
| At 1 April 2019        | 51,827                    | 18,665                              | 465,634                          |
| Charge for year        | 5,056                     | 5,152                               | 13,667                           |
| Eliminated on disposal | (675)                     | (452)                               | (1,127)                          |
| At 31 March 2020       | <u>56,208</u>             | <u>23,365</u>                       | <u>478,174</u>                   |
| <b>NET BOOK VALUE</b>  |                           |                                     |                                  |
| At 31 March 2020       | <u>13,957</u>             | <u>7,788</u>                        | <u>4,198,155</u>                 |
| At 31 March 2019       | <u>15,488</u>             | <u>11,190</u>                       | <u>3,938,812</u>                 |

Land and buildings with a carrying amount of £3,770,000 were revalued at 31 March 2017 by Goldsmiths, independent valuers not connected with the charity on the basis of existing use value. The valuation conforms to International Valuation Standards.

At 31 March 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,070,682 (2019: £1,070,682).



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**14. FIXED ASSET INVESTMENTS**

All investments were sold during the financial year.

**15. STOCKS**

|        | 2020         | 2019         |
|--------|--------------|--------------|
|        | £            | £            |
| Stocks | <u>1,635</u> | <u>4,903</u> |

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                | 2020          | 2019           |
|--------------------------------|---------------|----------------|
|                                | £             | £              |
| Trade debtors                  | 74,077        | 122,983        |
| Other debtors                  | 4,388         | 3,042          |
| Prepayments and accrued income | <u>18,661</u> | <u>16,633</u>  |
|                                | <u>97,126</u> | <u>142,658</u> |

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 2020           | 2019           |
|---------------------------------|----------------|----------------|
|                                 | £              | £              |
| Trade creditors                 | 41,307         | 59,048         |
| Social security and other taxes | 17,729         | 14,117         |
| Other creditors                 | 15,259         | 17,373         |
| Accruals and deferred income    | <u>59,049</u>  | <u>60,019</u>  |
|                                 | <u>133,344</u> | <u>150,557</u> |

Deferred income relates to fees received for the next financial year.

|                                       | £             |
|---------------------------------------|---------------|
| Balance as at 31 March 2019           | 34,975        |
| Amount released to incoming resources | (34,975)      |
| Amount deferred in year               | <u>48,241</u> |
| Balance as at 31 March 2020           | <u>48,241</u> |

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

|                            | 2020          | 2019          |
|----------------------------|---------------|---------------|
|                            | £             | £             |
| Within one year            | 6,869         | 6,869         |
| Between one and five years | <u>7,578</u>  | <u>14,447</u> |
|                            | <u>14,447</u> | <u>21,316</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**19. PROVISIONS FOR LIABILITIES**

|            | 2020<br>£        | 2019<br>£        |
|------------|------------------|------------------|
| Provisions | <u>1,136,938</u> | <u>1,371,363</u> |

The company participates in a funded defined benefit pension scheme, providing benefits based on final pensionable earning which is basic salary. The scheme has equal pension rights with respect to members of either sex. The assets of the scheme are held in a separate trustee administered (multi-employer) fund. The company, working with the scheme Trustee, segregated its assets and liabilities within the scheme to form a "Solden section". This change took effect on 1 October 2019 and the assets and liabilities of the fund wholly attributable to the company are now visible.

A formal actuarial valuation was undertaken by an independent professionally qualified actuary as at 1 October 2019 using attained age method, using both Statutory Funding Objective (SFO) basis and a buy-out solvency basis. This used a methodology to derive assumptions consistent with that used in the scheme valuation at 29 December 2018. This showed on the SFO basis segregated Solden assets as £1,161k and liabilities as £2,316k, giving a shortfall of £1,155k. This is calculated after the company made a payment into the scheme of £105k being its share of orphan debt.

The principal assumptions which have the most significant effect on the valuation are those related to the rate of return on investments (assumed to be 1.67% pre and post-retirement, based on the return on Government gilts, bonds and equities) and the rates of increase in inflation (assumed to be RPI 3.5%, CPI 2.7%) and pensions (assumed to be in the range of 2.1% and 2.6%). These assumptions have been derived from the market yields applying as at 29 December 2018 and are conservative.

The existing scheme recovery plan has been updated from January 2020 to specifically eliminate the Solden section shortfall. From this date the company is required to make contributions at a rate of £40,000 per annum until January 2023 when payments increase to £63,600 and increasing each January thereafter by 5% compound, for a period from 1 January 2023 to October 2036. Full provision of £1,136,938 (2019: £1,371,363) is made in these accounts for the discounted present value of the Solden section contributions over this period.

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                           | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ | 2019<br>Total<br>funds<br>£ |
|---------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Fixed assets              | 1,887,333                  | 2,310,822                | 4,198,155                   | 3,938,812                   |
| Investments               | -                          | -                        | -                           | 256,653                     |
| Current assets            | 469,562                    | 7,152                    | 476,714                     | 586,834                     |
| Current liabilities       | (133,344)                  | -                        | (133,344)                   | (150,557)                   |
| Provision for liabilities | <u>(1,136,938)</u>         | <u>-</u>                 | <u>(1,136,938)</u>          | <u>(1,371,363)</u>          |
|                           | <u>1,086,613</u>           | <u>2,317,974</u>         | <u>3,404,587</u>            | <u>3,260,379</u>            |



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2020

## 21. MOVEMENT IN FUNDS

|                           | At 1/4/19<br>£   | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At<br>31/3/20<br>£ |
|---------------------------|------------------|----------------------------------|------------------------------------|--------------------|
| <b>Unrestricted funds</b> |                  |                                  |                                    |                    |
| General fund              | 1,053,984        | (73,391)                         | 155,362                            | 1,135,955          |
| Revaluation reserve       | 1,056,947        | -                                | -                                  | 1,056,947          |
| Fair Value Reserve        | 30,630           | -                                | -                                  | 30,630             |
| Designated Fund           | 150,000          | -                                | (150,000)                          | -                  |
| Pension Liability Fund    | (1,371,363)      | 234,425                          | -                                  | (1,136,938)        |
| Share Capital             | 19               | -                                | -                                  | 19                 |
|                           | <u>920,217</u>   | <u>161,034</u>                   | <u>5,362</u>                       | <u>1,086,613</u>   |
| <b>Restricted funds</b>   |                  |                                  |                                    |                    |
| Apps House Fund           | 416,389          | -                                | -                                  | 416,389            |
| Giles House Fund          | 72,396           | -                                | -                                  | 72,396             |
| Innes House Fund          | 147,655          | -                                | -                                  | 147,655            |
| Pottery Fund              | 14,544           | -                                | -                                  | 14,544             |
| Generator Fund            | 464              | (464)                            | -                                  | -                  |
| F J Apps Training Fund    | 24,535           | (15,510)                         | (892)                              | 8,133              |
| Welfare Fund              | 6,388            | -                                | -                                  | 6,388              |
| Sensory Fund              | 561              | (561)                            | -                                  | -                  |
| Revaluation Reserve       | 1,642,371        | -                                | -                                  | 1,642,371          |
| Bike Fund                 | 4,470            | -                                | (4,470)                            | -                  |
| Marks Donation            | 5,000            | -                                | -                                  | 5,000              |
| Screwfix Foundation       | 3,500            | -                                | -                                  | 3,500              |
| Tilney Donation           | 1,889            | (291)                            | -                                  | 1,598              |
|                           | <u>2,340,162</u> | <u>(16,826)</u>                  | <u>(5,362)</u>                     | <u>2,317,974</u>   |
| <b>TOTAL FUNDS</b>        | <u>3,260,379</u> | <u>144,208</u>                   | <u>-</u>                           | <u>3,404,587</u>   |

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

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 1,573,585                  | (1,651,726)                | 4,750                    | (73,391)                  |
| Pension Liability Fund    | -                          | 234,425                    | -                        | 234,425                   |
|                           | <u>1,573,585</u>           | <u>(1,417,301)</u>         | <u>4,750</u>             | <u>161,034</u>            |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| Generator Fund            | -                          | (464)                      | -                        | (464)                     |
| F J Apps Training Fund    | -                          | (15,510)                   | -                        | (15,510)                  |
| Sensory Fund              | -                          | (561)                      | -                        | (561)                     |
| Tilney Donation           | -                          | (291)                      | -                        | (291)                     |
|                           | <u>-</u>                   | <u>(16,826)</u>            | <u>-</u>                 | <u>(16,826)</u>           |
| <b>TOTAL FUNDS</b>        | <u>1,573,585</u>           | <u>(1,434,127)</u>         | <u>4,750</u>             | <u>144,208</u>            |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**21. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

|                           | At 1/4/18<br>£   | Net<br>movement<br>in funds<br>£ | At<br>31/3/19<br>£ |
|---------------------------|------------------|----------------------------------|--------------------|
| <b>Unrestricted funds</b> |                  |                                  |                    |
| General fund              | 991,064          | 62,920                           | 1,053,984          |
| Revaluation reserve       | 1,056,947        | -                                | 1,056,947          |
| Fair Value Reserve        | 30,630           | -                                | 30,630             |
| Designated Fund           | 150,000          | -                                | 150,000            |
| Pension Liability Fund    | (1,215,532)      | (155,831)                        | (1,371,363)        |
| Share Capital             | 19               | -                                | 19                 |
|                           | <u>1,013,128</u> | <u>(92,911)</u>                  | <u>920,217</u>     |
| <b>Restricted funds</b>   |                  |                                  |                    |
| Apps House Fund           | 416,389          | -                                | 416,389            |
| Giles House Fund          | 72,396           | -                                | 72,396             |
| Innes House Fund          | 147,655          | -                                | 147,655            |
| Pottery Fund              | 14,544           | -                                | 14,544             |
| Generator Fund            | 464              | -                                | 464                |
| F J Apps Training Fund    | 25,298           | (763)                            | 24,535             |
| Welfare Fund              | 6,388            | -                                | 6,388              |
| Sensory Fund              | 561              | -                                | 561                |
| Revaluation Reserve       | 1,642,371        | -                                | 1,642,371          |
| Bike Fund                 | 4,470            | -                                | 4,470              |
| Marks Donation            | -                | 5,000                            | 5,000              |
| Screwfix Foundation       | -                | 3,500                            | 3,500              |
| Tilney Donation           | -                | 1,889                            | 1,889              |
|                           | <u>2,330,536</u> | <u>9,626</u>                     | <u>2,340,162</u>   |
| <b>TOTAL FUNDS</b>        | <u>3,343,664</u> | <u>(83,285)</u>                  | <u>3,260,379</u>   |

Comparative net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains and<br>losses<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                          |                           |
| General fund              | 1,558,601                  | (1,510,895)                | 15,214                   | 62,920                    |
| Pension Liability Fund    | -                          | (155,831)                  | -                        | (155,831)                 |
|                           | <u>1,558,601</u>           | <u>(1,666,726)</u>         | <u>15,214</u>            | <u>(92,911)</u>           |
| <b>Restricted funds</b>   |                            |                            |                          |                           |
| F J Apps Training Fund    | -                          | (763)                      | -                        | (763)                     |
| Marks Donation            | 5,000                      | -                          | -                        | 5,000                     |
| Screwfix Foundation       | 3,500                      | -                          | -                        | 3,500                     |
| Tilney Donation           | 2,000                      | (111)                      | -                        | 1,889                     |
|                           | <u>10,500</u>              | <u>(874)</u>               | <u>-</u>                 | <u>9,626</u>              |
| <b>TOTAL FUNDS</b>        | <u>1,569,101</u>           | <u>(1,667,600)</u>         | <u>15,214</u>            | <u>(83,285)</u>           |



**21. MOVEMENT IN FUNDS - continued**

**Restricted funds**

The revaluation reserves represent the difference between the carrying value of tangible fixed assets and their historical cost. Of the total revaluation reserve, £1,642,371 is restricted and £1,056,947 is unrestricted. These reserves were created in previous years following the revaluation of the charitable company's freehold property in February 2017. There have been no movements on this reserve in the year.

**The following restricted funds are fully invested in fixed assets:**

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

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

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

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

Marks Donation was a donation received from Mr and Mrs Marks for the purpose of renovating a staff room into a room for a resident. The costs were capitalised as part of property improvements, which are not depreciated, and therefore there will be no movement on the fund until such time as the asset is disposed of or impaired.

The Screwfix Foundation donation was a contribution towards a stairlift for the benefit of a resident. The costs were capitalised as part of property improvements, which are not depreciated, and therefore there will be no movement on the fund until such time as the asset is disposed of or impaired.

The Tilney Donation was a donation of £2,000 received from the family of a resident for the purchase of a bench in the name of their relative. The cost was capitalised as a part of furniture and fixtures, which is depreciated every year. Therefore the movement in the fund is the depreciation each year and any costs associated with the item.

**The following restricted funds have balances held in current assets for future use:**

The F J Apps Training Fund was established in March 1999 as the result of donations in memory of F J Apps, Principal of Solden Hill House, who died on 13 March 1999. It provides funding for staff to undertake and provide training and development in accordance with the principles of Rudolph Steiner. During the year expenditure of £15,510 was incurred. The balance of the fund that is available for future use is £765. The remaining balance represents amounts invested in fixed assets which will be reduced as depreciation is recognised.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**21. MOVEMENT IN FUNDS - continued**

The Sensory Room was established by a grant received from TMF of £4,000. Part of the conditions of the grant was that expenditure was restricted on the creation of a Sensory Room. During the year expenditure of £561 was incurred.

**Designated Fund**

The designated fund is a Property Maintenance Fund set aside by the Trustees for the anticipated expenditure on property maintenance. However it was agreed by the trustees this year that this fund was no longer required so has been transferred into the general reserve.

**Transfers between funds**

Transfers between funds have been carried out due to reclassification of funds and fixed assets.

**22. CAPITAL COMMITMENTS**

|   | 2020<br>£      | 2019<br>£ |
|---|----------------|-----------|
| Contracted but not provided for in the financial statements | <u>338,068</u> | <u>-</u>  |

**23. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2020.

**24. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|   | 2020<br>£       | 2019<br>£     |
|---|-----------------|---------------|
| <b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b> | 144,208         | (83,285)      |
| <b>Adjustments for:</b>   |                 |               |
| Depreciation charges  | 13,666          | 9,912         |
| Gain on investments   | (4,750)         | (15,214)      |
| Profit on disposal of fixed assets  | (23)            | -             |
| Interest received   | (3,561)         | (3,895)       |
| Dividends received  | (3,450)         | (7,410)       |
| (Decrease)/increase in provisions   | (234,424)       | 155,830       |
| Fixed asset adjustment  | -               | 6,907         |
| Decrease in stocks  | 3,268           | 689           |
| Decrease/(increase) in debtors  | 45,532          | (48,582)      |
| (Decrease)/increase in creditors  | <u>(17,213)</u> | <u>20,785</u> |
| <b>Net cash (used in)/provided by operations</b>  | <u>(56,747)</u> | <u>35,737</u> |

**25. ANALYSIS OF CHANGES IN NET FUNDS**

|                          | At 1/4/19<br>£ | Cash flow<br>£  | At 31/3/20<br>£ |
|--------------------------|----------------|-----------------|-----------------|
| <b>Net cash</b>          |                |                 |                 |
| Cash at bank and in hand | <u>439,273</u> | <u>(61,320)</u> | <u>377,953</u>  |



**26. SHARE CAPITAL**

|                               | <b>2019</b> | <b>2018</b> |
|-------------------------------|-------------|-------------|
|                               | <b>£</b>    | <b>£</b>    |
| <b>Ordinary share capital</b> |             |             |
| <b>Issued and fully paid</b>  |             |             |
| 19 Ordinary shares of £1 each | 19          | 19          |

**SOLDEN HILL HOUSE LIMITED****DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2020**

|                                       | 31/3/20<br>£     | 31/3/19<br>£     |
|---------------------------------------|------------------|------------------|
| <b>INCOME AND ENDOWMENTS</b>          |                  |                  |
| <b>Donations and legacies</b>         |                  |                  |
| Donations                             | 28,382           | 18,181           |
| Grants                                | -                | 5,500            |
|                                       | <u>28,382</u>    | <u>23,681</u>    |
| <b>Investment income</b>              |                  |                  |
| Income from listed investments        | 3,450            | 7,410            |
| Interest receivable                   | 3,561            | 3,895            |
|                                       | <u>7,011</u>     | <u>11,305</u>    |
| <b>Charitable activities</b>          |                  |                  |
| Fees and allowances                   | 1,522,628        | 1,510,910        |
| Charitable rental income              | 15,414           | 9,302            |
| Other income                          | 150              | 13,903           |
|                                       | <u>1,538,192</u> | <u>1,534,115</u> |
| <b>Total incoming resources</b>       | <b>1,573,585</b> | <b>1,569,101</b> |
| <b>EXPENDITURE</b>                    |                  |                  |
| <b>Charitable activities</b>          |                  |                  |
| Wages                                 | 940,988          | 882,170          |
| Social security                       | 71,277           | 59,423           |
| Pensions                              | 48,679           | 40,322           |
| Insurance                             | 13,591           | 17,333           |
| Light, heat, rates and water          | 71,107           | 79,561           |
| Office and telephone                  | 35,449           | 30,709           |
| Sundries                              | 19,374           | 23,213           |
| Bad debts                             | -                | (3,219)          |
| Catering                              | 53,746           | 70,994           |
| Household and laundry                 | 7,446            | 9,232            |
| Medical                               | 4,748            | 3,660            |
| Education and leisure                 | 14,572           | 13,098           |
| Motor expenses                        | 17,313           | 14,824           |
| Repairs and maintenance               | 137,604          | 148,451          |
| Legal and professional                | 18,179           | 15,882           |
| Staff training                        | 4,472            | 5,732            |
| Volunteers and apprenticeships        | 5,380            | 12,518           |
| Accountancy                           | 6,837            | 12,960           |
| Depreciation of tangible fixed assets | 13,669           | 9,912            |
| Loss on sale of tangible fixed assets | (23)             | -                |
|                                       | <u>1,484,408</u> | <u>1,446,775</u> |

This page does not form part of the statutory financial statements



**SOLDEN HILL HOUSE LIMITED****DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2020**

|   | 31/3/20<br>£          | 31/3/19<br>£           |
|---|-----------------------|------------------------|
| <b>Charitable activities</b>                            |                       |                        |
| <b>Provision for deferred pension liability</b>         |                       |                        |
| Provision for deferred pension movement                 | (56,858)              | 214,442                |
| <b>Support costs</b>                                    |                       |                        |
| <b>Finance</b>  |                       |                        |
| Bank charges  | 1,222                 | 1,032                  |
| <b>Governance costs</b>                                 |                       |                        |
| Auditors' remuneration                                  | 4,320                 | 4,200                  |
| Trustees insurance                                      | <u>1,035</u>          | <u>1,151</u>           |
|   | <u>5,355</u>          | <u>5,351</u>           |
| Total resources expended                                | <u>1,434,127</u>      | <u>1,667,600</u>       |
| <b>Net income/(expenditure) before gains and losses</b> | 139,458               | (98,499)               |
| <b>Realised recognised gains and losses</b>             |                       |                        |
| Realised gains/(losses) on fixed asset investments      | <u>4,750</u>          | <u>15,214</u>          |
| <b>Net income/(expenditure)</b>                         | <u><u>144,208</u></u> | <u><u>(83,285)</u></u> |