

**Charity Registration No. 228037**

**Company Registration No. 00541304 (England and Wales)**

**SOLDEN HILL HOUSE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

# SOLDEN HILL HOUSE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	Mrs E Horton - Chair Mrs W Coleman T R Espley Mrs E J Ferguson - Vice Chair S E Bown - Finance Director Mrs E C Wardlaw K M Westcott J Batchelor	Resigned 12 December 2017 Appointed 12 March 2018
Secretary	Mrs M Z Lewis	
Charlty number	228037	
Company number	00541304	
Registered office	Banbury Road Byfield Daventry Northamptonshire NN11 6UA	
Auditor	Smith Hodge & Baxter Audit Services Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL	
Bankers	Lloyds Bank Plc 12 High Street Banbury Oxfordshire OX16 8EF	
Investment advisors	Gore Browne Investment Management	
General Manager	Emma Steele	

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# SOLDEN HILL HOUSE LIMITED

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# **SOLDEN HILL HOUSE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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The Trustees present their report and accounts for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2015)

#### **Objectives and activities**

The charity's objects 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 domiciliary care 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 philosophy of care employed to assist the charity to meet these objectives with regard to its residents are as follows:

- Provision of varied activities, both structured and in accordance with residents' wishes.
  - Support of well trained and committed staff.
  - A safe and secure environment.
  - Co-operation with friends and families.
  - Use of expertise from outside of Solden Hill House as required to improve quality of care.
- The charity's policy is to consult and discuss with employees matters likely to affect their interests through staff meetings, the wellbeing group and supervisions.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance and matters likely to affect employees' interests.

#### **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 included:

- 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.

#### **Public benefit**

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. 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.

# **SOLDEN HILL HOUSE LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2018**

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### **Achievements and performance**

#### **Charitable activities**

During the year under review the charity provided care for thirty residents; twenty-eight residential placements and two supported living placements, which was two below residential capacity.

An inspection was carried out in April 2018 by the Quality Improvement Team, NHS Nene and NHS Corby Clinical Commissioning Group at Solden Hill House. The inspection judges all aspects of our work and rates them in percentages of compliance with CQC standards. Solden Hill House's overall score was 97%.

Solden Hill House also had a CQC inspection, our outcome remains 'Good'

The hard work and dedication of all staff has again maintained a tight control over expenditure, although it is recognised that there are substantial property repair costs to come in the near future. The Trustees are satisfied that the objects of the charity have been achieved.

#### **Summary of main achievements**

The charity made progress on the following:

- Updating houses - to ensure a homely feel throughout Solden Hill House new furniture and fittings continue to be provided throughout the residential homes;
- Staff training - to ensure the changing needs of our client group are met, staff are offered additional enhanced training through a variety of providers.
- Staff Progression – to support the growth of the business and to ensure good staff retention, Solden Hill House is committed to skilling up staff to ensure effective working practices.
- Residents wellbeing - to support individuality and independence regular health promotion workshops are offered.
- Giles House - successfully supporting two young people to live independent lives within their own tenancy.
- Recording of information- To facilitate accurate systems of recording Solden Hill House have purchased online care planning, medication and HR software.
- Workshops - new equipment has been purchased to enable positive outcomes from all workshops, this includes a furniture restoration building, a giant electronic tablet to support news updates/ interactive games and music.
- GDPR - detailed work is underway to ensure that we will be compliant with the new General Data Protection Regulations 2016 which come into force with effect from 25 May 2018.

# **SOLDEN HILL HOUSE LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2018**

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### **Financial review**

#### **Financial Position**

The income for the year decreased slightly to £1,391,549 compared to £1,433,696 for the previous year. Income arises predominantly from fees for residents and the reduction arose due to occupancy being around two residents below maximum for most of the year.

Costs increased to £1,287,912 (2017: £1,161,014) arising from an increase in employee numbers and wages, and higher property repair costs.

There was a decrease in current value of investments of £12,326 due to the temporary market setback in the first quarter of 2018 and compared to previous year gain of £30,457.

Recognising the need for substantial property repairs over the next 1-2 years the Trustees have retained the £150,000 placed into a Designated Reserve last year.

The provision made last year for future payments to make up the funding shortfall in the defined benefit pension scheme has been restated in the comparative figures (increased by £37,960) to correct a miscalculation. In the current year this has reduced from £1,234,707 to £1,215,532.

Payments remain unchanged and fall due annually until July 2035, being paid from current income. The above resulted in a surplus for the year of £61,100 compared to the previous year deficit (restated) of £931,730 when the pension provision was set up.

#### **Principal funding sources**

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

#### **Investment policy and objectives**

The charity reviewed its investment policy last year and appointed Gore Browne Investment Management as its advisors. The investment portfolio is under active review. Bank accounts have also been diversified from predominantly Lloyds Bank PLC to minimise risk and earn some interest income; four deposit accounts have been opened with holdings of £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 being 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.

#### **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 and 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 £650k-£750k, marginally higher than last year.

The level of reserves held at the end of the year was £3,343,645, (2017: restated £3,282,545); this includes the property revaluation surplus of £2,699,318. More details are included in notes 23 and 25 to the accounts. Unrestricted reserves were £1,013,109, (2017: restated £946,504). 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 £677,662 (2017: £632,205), i.e. held in cash, investments and working capital. It is the view of the Trustees that the company has adequate but not excessive reserves to meet its obligations as they fall due.

# **SOLDEN HILL HOUSE LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018**

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### **FUTURE PLANS**

The Trustees have carried out 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, being mindful of the need to maintain full capacity of resident numbers.

Specific plans include:

- Liaison with Local Authorities to understand the changing needs and future trends for services required.
- Examination of the suitability of existing properties for the provision of additional Supported Living places and other services such as day care.
- Implementation of "Icare" Care and Medication system.
- Expansion of activities available to residents.
- Continuation of improvements to the grounds by completing the bike path, additional landscaping and provision for animals.
- Strengthen the Board and broaden its skill base by additional appointments.

### **Structure, governance and management**

#### **Governing document**

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.

#### **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.

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.

#### **Key management remuneration**

This is set out in note 11 in the financial statements. The policy for setting remuneration is at the direction of the Directors and an annual review is undertaken.

# **SOLDEN HILL HOUSE LIMITED**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2018**

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### **Disclosure of information to auditor**

The Trustees have confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**Mrs E Horton**

Trustee

Dated: 19 September 2018



# **SOLDEN HILL HOUSE LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2018***

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

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the Incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

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

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

# **SOLDEN HILL HOUSE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SOLDEN HILL HOUSE LIMITED**

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#### **Opinion**

We have audited the accounts of Solden Hill House Limited (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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 accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity'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 accounts are authorised for issue.

#### **Other Information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our audit:

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

# **SOLDEN HILL HOUSE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **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 Trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 accounts 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.

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees' are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity'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 company 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 accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 and regulations made under that Act. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mrs Caroline Armstrong (Senior Statutory Auditor)**  
**for and on behalf of Smith Hodge & Baxter Audit Services**

24 September 2018

**Chartered Accountants**  
**Statutory Auditor**

Thorpe House  
93 Headlands  
Kettering  
Northamptonshire  
NN15 6BL

# SOLDEN HILL HOUSE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds	Restricted funds	Total 2018	Total 2017 As restated
	Notes	£	£	£	£
<b><u>Income from:</u></b>					
Donations and legacies	3	13,820	7,470	21,290	15,878
Charitable activities	4	1,372,419	-	1,372,419	1,412,194
Investments	5	5,310	-	5,310	5,623
<b>Total Income</b>		<b>1,391,549</b>	<b>7,470</b>	<b>1,399,019</b>	<b>1,433,695</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	6	1,287,912	406	1,288,318	1,161,013
Provision for deferred pension liability	30	36,645	-	36,645	1,234,707
Other	13	-	-	-	162
<b>Total resources expended</b>		<b>1,324,557</b>	<b>406</b>	<b>1,324,963</b>	<b>2,395,882</b>
Net gains on investments	14	(12,956)	-	(12,956)	30,457
<b>Net incoming/(outgoing) resources before transfers</b>		<b>54,036</b>	<b>7,064</b>	<b>61,100</b>	<b>(931,730)</b>
Gross transfers between funds	23	12,569	(12,569)	-	-
<b>Net incoming/(outgoing) resources</b>		<b>66,605</b>	<b>(5,505)</b>	<b>61,100</b>	<b>(931,730)</b>
<b><u>Other recognised gains and losses</u></b>					
Revaluation of tangible fixed assets		-	-	-	2,699,318
<b>Net movement in funds</b>		<b>66,605</b>	<b>(5,505)</b>	<b>61,100</b>	<b>1,767,588</b>
Fund balances at 1 April 2017		946,523	2,336,041	3,282,564	1,514,976
<b>Fund balances at 31 March 2018</b>		<b>1,013,128</b>	<b>2,330,536</b>	<b>3,343,664</b>	<b>3,282,564</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# SOLDEN HILL HOUSE LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017 As restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15	3,844,798		3,842,823	
Investments	16	241,439		201,267	
		<u>4,086,237</u>		<u>4,044,090</u>	
<b>Current assets</b>					
Stocks	18	5,592		3,000	
Debtors	19	94,076		90,711	
Cash at bank and in hand		503,063		486,983	
		<u>602,731</u>		<u>580,694</u>	
<b>Creditors: amounts falling due within one year</b>	20	(129,772)		(107,513)	
Net current assets		<u>472,959</u>		<u>473,181</u>	
<b>Total assets less current liabilities</b>		<u>4,559,196</u>		<u>4,517,271</u>	
<b>Provisions for liabilities</b>	21	(1,215,532)		(1,234,707)	
<b>Net assets</b>		<u><u>3,343,664</u></u>		<u><u>3,282,564</u></u>	
<b>Income funds</b>					
Restricted funds	23	2,330,536		2,336,041	
<u>Unrestricted funds</u>					
Designated funds	25	150,000		150,000	
General unrestricted funds		863,109		796,504	
Share capital		19		19	
Fair value reserve		30,630		-	
		<u>1,013,128</u>		<u>946,523</u>	
		<u><u>3,343,664</u></u>		<u><u>3,282,564</u></u>	

The accounts were approved by the Trustees on 19 September 2018

Mrs E Horton  
Trustee

Company Registration No. 00541304

# SOLDEN HILL HOUSE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

		2018		2017 As restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	29		83,149		266,944
<b>Investing activities</b>					
Purchase of tangible fixed assets		(19,251)		(60,633)	
Purchase of investments		(109,669)		-	
Proceeds on disposal of investments		56,541		-	
Interest received		5,310		5,623	
<b>Net cash used in investing activities</b>			(67,069)		(55,010)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			16,080		211,934
Cash and cash equivalents at beginning of year			486,983		275,049
<b>Cash and cash equivalents at end of year</b>			503,063		486,983

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

##### Charity information

Solden Hill House Limited is a private company limited by shares incorporated in England and Wales. The registered office is Banbury Road, Byfield, Daventry, Northamptonshire, NN11 6UA.

##### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The accounts have been prepared under the historical cost convention, modified to include investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 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.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless some of these funds have been designated for specified purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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 is 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 resident fees are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

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 receivable.

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	
Fixtures and fittings	10 years straight line
Computers	4 years straight line
Motor vehicles	4 years straight line

Freehold properties are not depreciated due to long estimated remaining useful economic life and that the residual value would not be less than its carrying value.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Fixed asset investments

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

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).



# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.9 Stocks

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

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### 1.11 Financial Instruments

The charity 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 charity's balance sheet when the charity 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.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations 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.

##### **Derecognition of financial liabilities**

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

#### 1.12 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 end 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.

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1

Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

The charitable company operates a defined benefit pension scheme and a stakeholder scheme for the benefit of its employees. Payments to the schemes are charged as an expense as they fall due. The defined benefit scheme is now closed.

1.15 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.

2 Critical accounting estimates and judgements

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. 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.

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.

The freehold property and land revaluation is based on reports from a Chartered Surveyor, supplemented by indices provided by the Surveyor in the intervening period. This revaluation is not depreciated on the basis that the charity continues to maintain the property, and therefore maintaining the residual value.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017 As restated
	£	£	£	£
Donations and gifts	13,820	7,470	21,290	15,878
For the year ended 31 March 2017	15,878	-		15,878

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 4 Charitable activities

	General Care	Supported Living	Total 2018	Total 2017 As restated
	£	£	£	£
Fees and allowances	1,298,877	64,890	1,363,767	1,408,502
Charitable rental income	-	8,426	8,426	-
Other income	226	-	226	3,692
	<u>1,299,103</u>	<u>73,316</u>	<u>1,372,419</u>	<u>1,412,194</u>
Analysis by fund				
Unrestricted funds	<u>1,299,103</u>	<u>73,316</u>	<u>1,372,419</u>	
<b>For the year ended 31 March 2017</b>				
Unrestricted funds	1,412,080	-		1,412,080
Restricted funds	114	-		114
	<u>1,412,194</u>	<u>-</u>		<u>1,412,194</u>

### 5 Investments

	2018	2017 As restated
	£	£
Income from listed investments	4,992	5,596
Interest receivable	318	27
	<u>5,310</u>	<u>5,623</u>

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 6 Charitable activities

	General care	Supported living	Total 2018	Total 2017 As restated
	£	£	£	£
Staff costs	858,825	41,119	899,944	826,373
Depreciation and impairment	17,275	-	17,275	20,386
Bad debts	5,711	-	5,711	(1)
Insurance	6,757	350	7,107	11,772
Light, heat, rates and water	63,487	657	64,144	65,074
Sundry expenses	15,499	-	15,499	12,546
Catering	66,420	-	66,420	63,396
Household and laundry	18,016	222	18,238	28,126
Medical	505	-	505	1,358
Education and leisure	5,904	-	5,904	12,781
Motor expenses	13,825	132	13,957	15,653
Office and telephone costs	38,906	73	38,979	20,087
Repairs and maintenance	77,914	3,519	81,433	31,797
Legal and professional	31,278	362	31,640	39,004
Marketing and advertising	3,327	-	3,327	1,756
Bank charges and interest	1,065	-	1,065	1,101
Staff training	11,750	-	11,750	4,744
	<u>1,236,464</u>	<u>46,434</u>	<u>1,282,898</u>	<u>1,155,953</u>
Share of governance costs (see note 8)	5,420	-	5,420	5,060
	<u>1,241,884</u>	<u>46,434</u>	<u>1,288,318</u>	<u>1,161,013</u>
<b>Analysis by fund</b>				
Unrestricted funds	1,241,478	46,434	1,287,912	
Restricted funds	406	-	406	
	<u>1,241,884</u>	<u>46,434</u>	<u>1,288,318</u>	
<b>For the year ended 31 March 2017</b>				
Unrestricted funds	1,161,013	-		1,161,013
	<u>1,161,013</u>	<u>-</u>		<u>1,161,013</u>

Legal and professional fees include £12,962 (2017: £23,405) in respect of auditors' fees for non-audit work.

SOLDEN HILL HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018

7 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.

8 Support costs

	Support costs	Governance costs	2018	2017 As restated	Basis of allocation
	£	£	£	£	
Audit fees	-	4,800	4,800	4,440	Governance
Trustees insurance	-	620	620	620	Governance
	-	5,420	5,420	5,060	
Analysed between					
Charitable activities	-	5,420	5,420	5,060	

Governance costs includes payments to the auditors of £4,800 (2017 As restated- £4,400) for audit fees.

9 Net movement in funds

	2018	2017 As restated
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	4,800	4,440
Depreciation of owned tangible fixed assets	17,275	20,386
Loss on disposal of tangible fixed assets	-	162

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' Indemnity Insurance

There was a payment of trustees' indemnity insurance during the year of £620 (2017: £620).

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 11 Employees

#### Number of employees

The average monthly number employees during the year was:

2018	2017 As restated
Number	Number
41	37

#### Employment costs

	2018	2017 As restated
	£	£
Wages and salaries	820,941	712,170
Social security costs	47,514	44,161
Other pension costs	31,489	70,042
	<u>899,944</u>	<u>826,373</u>

The total employee benefits of the key management personnel of the Charity were £138,257 (2017: £105,420).

No employee received emoluments in excess of £60,000.

### 12 Pensions

Resources expended include £36,645 in respect of the movement on the charitable company's share of its liability under a recovery plan for the Mercury Provident Pension Scheme in the year (2017: £1,234,707 in respect of the initial recognition of the charitable company's share of its liability under the recovery plan (Further details are provided in Note 21 to the financial statements). The recovery plan was formally agreed by the scheme's trustees in December 2016 and future contributions, which are payable until July 2035, have been discounted to arrive at their present value as at 31 March 2018.

### 13 Other

	2018	2017 As restated
	£	£
Net loss on disposal of tangible fixed assets	-	162
	<u>-</u>	<u>162</u>

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 14 Net gains/(losses) on Investments

	2018 £	2017 As restated £
Revaluation of investments	(12,326)	30,457
Gain/(loss) on sale of investments	(630)	-
	<u>(12,956)</u>	<u>30,457</u>

#### 15 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2017	3,770,000	430,636	28,604	50,026	4,279,266
Additions	5,904	9,748	3,599	-	19,251
At 31 March 2018	<u>3,775,904</u>	<u>440,384</u>	<u>32,203</u>	<u>50,026</u>	<u>4,298,517</u>
<b>Depreciation and impairment</b>					
At 1 April 2017	-	385,102	7,844	43,498	436,444
Depreciation charged in the year	-	7,354	3,393	6,528	17,275
At 31 March 2018	<u>-</u>	<u>392,456</u>	<u>11,237</u>	<u>50,026</u>	<u>453,719</u>
<b>Carrying amount</b>					
At 31 March 2018	<u>3,775,904</u>	<u>47,928</u>	<u>20,966</u>	<u>-</u>	<u>3,844,798</u>
At 31 March 2017	<u>3,770,000</u>	<u>45,535</u>	<u>20,760</u>	<u>6,528</u>	<u>3,842,823</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 2018, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,076,586 (2017 As restated - £1,070,682).

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 16 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
<b>Cost or valuation</b>			
At 1 April 2017	201,267	-	201,267
Additions	109,669	-	109,669
Valuation changes	(12,326)	-	(12,326)
Cash movement	-	5,549	5,549
Disposals	(62,720)	-	(62,720)
	<u>235,890</u>	<u>5,549</u>	<u>241,439</u>
At 31 March 2018	235,890	5,549	241,439
<b>Carrying amount</b>			
At 31 March 2018	<u>235,890</u>	<u>5,549</u>	<u>241,439</u>
At 31 March 2017	<u>201,267</u>	<u>-</u>	<u>201,267</u>

### 17 Financial Instruments

	2018 £	2017 As restated £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost (Trade and other debtors)	84,414	82,129
Equity instruments measured at fair value	<u>241,439</u>	<u>201,267</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost (Trade and other creditors and accruals)	<u>116,806</u>	<u>109,716</u>

### 18 Stocks

	2018 £	2017 As restated £
Stocks	<u>5,592</u>	<u>3,000</u>

### 19 Debtors

	2018 £	2017 As restated £
<b>Amounts falling due within one year:</b>		
Trade debtors	56,063	43,412
Other debtors	28,351	38,717
Prepayments and accrued income	9,662	8,582
	<u>94,076</u>	<u>90,711</u>



# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 20 Creditors: amounts falling due within one year

	2018	2017 As restated
	£	£
Other taxation and social security	12,966	(2,203)
Trade creditors	28,746	28,134
Other creditors	32,636	43,145
Accruals and deferred income	55,424	38,437
	<u>129,772</u>	<u>107,513</u>

#### 21 Provisions for liabilities

2018	2017 As restated
£	£
<u>1,215,532</u>	<u>1,234,707</u>

#### Movements on provisions:

	£
At 1 April 2017	1,234,707
Movements in year	(19,175)
At 31 March 2018	<u>1,215,532</u>

The company participates in a funded defined benefit pension scheme, providing benefits based on final pensionable earning which is the basic salary. The scheme has equal pension rights with respect to members of either sex. The assets of the scheme are held in separate trustee administered (multi-employer) fund. The assets and liabilities of the fund are not wholly attributable to the company, as the fund includes the pensions of employees of other participating organisations.

The most recent formal actuarial valuation was undertaken by an independent professionally qualified actuary as at 31 March 2016 using the attained age method, using both the Statutory Funding Objective (SFO) basis and a buy-out solvency basis. At 31 March 2016 under the SFO basis the scheme had a funding shortfall of £19,944,000 and under the buy-out basis there was a shortfall of £25,897,000.

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 2.3% pre and post-retirement, based on the return on Government gilts, bonds and equities) and the rates of increase in earnings (assumed to be 2.4%) and pensions (assumed to be in the range of 1.9% to 2.2%). These assumptions have been derived from the market yields applying at the valuation date.

SOLDEN HILL HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018

(Continued)

21 Provisions for liabilities

As a result of the funding shortfall a recovery plan has been put in place in December 2016 to eliminate the shortfall, which requires the employers to make contributions at a rate of £960,003 per annum increasing each January by 5% compound, for a period from 1 January 2017 to 31 July 2035. Full provision of £1,196,747 was made in the 2017 accounts for the then discounted present value of the charitable company's share of the contributions over this period as at 31 March 2017. During the year this discounted present value of the liability has been recalculated resulting in a prior year adjustment to the 2017 accounts and an increase in the liability at 31 March 2017 to £1,234,707.

The movement in the provision in the year reflects the contributions of £55,820 made by the charitable company under the plan, net of the movements in the discounted present value of future contributions between 31 March 2017 (as restated) and 31 March 2018.

22 Share capital	2018	2017 As restated
	£	£
Ordinary share capital		
Issued and fully paid		
19 Ordinary shares of £1 each	19	19

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2017	Movement in funds			Balance at 31 March 2018
	£	Incoming resources	Resources expended	Transfers	£
		£	£	£	
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	34,931	-	(64)	(9,569)	25,298
Welfare Fund	6,388	-	-	-	6,388
Sensory Fund	903	-	(342)	-	561
Revaluation Reserve	1,642,371	-	-	-	1,642,371
Bike Fund	-	7,470	-	(3,000)	4,470
	2,336,041	7,470	(406)	(12,569)	2,330,536

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 23 Restricted funds

(Continued)

The Revaluation Reserves represent the difference between the carry value of tangible fixed assets and their historical cost. Of the total revaluation reserve £1,642,371 is restricted funds and £1,056,947 is unrestricted. These reserves were created in the previous year 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 Funds 1986/1987") was set up in 1986 by 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 Gilles 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.

The Generator Fund was established by a donation of £13,000 received from the David Solomons Trust towards the cost of a generator to be installed on the main site.

There have been no movements in any of the above funds in the year.

**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 £64 was incurred and £9,569 was spent on fixed assets purchased from this fund.

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. There have been no movements on this fund in the year.

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 the Sensory Room. Expenditure of £342 was incurred in the year.

The Bike Fund was established during the year by donations of £3,000 from the Margaret Giffen Charitable Trust and £4,470 from Hickleton Golf Club. The purpose of the fund is to provide a cycleway around the grounds of Solden Hill House and cycles for the resident's use. During the year £3,000 was transferred to unrestricted general funds in respect of expenditure incurred from those funds for the initial stages of the cycleway.

SOLDEN HILL HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018

24 Unrestricted funds

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds				
	Balance at 1 April 2017	Incoming resources	Resources expended	Transfers	Balance at 31 March 2018
	£	£	£	£	£
General fund	974,264	1,372,374	(1,324,944)	(30,630)	991,064
Revaluation reserve	1,056,947	-	-	-	1,056,947
Share capital	19	-	-	-	19
Pension Liability Fund	(1,234,707)	19,175	-	-	(1,215,532)
Fair value reserve	-	-	-	30,630	30,630
Designated Fund	150,000	-	-	-	150,000
	<u>946,523</u>	<u>1,391,549</u>	<u>(1,324,944)</u>	<u>-</u>	<u>1,013,128</u>

The Fair Value Reserve is required by the Companies Act 2006 and represents the amount by which unrestricted investments exceed their historical cost. £30,630 has been transferred from general funds during the year.

25 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

The Property Maintenance Fund is for the anticipated expenditure on property maintenance. There have been no movements on this fund in the year.

	Movement in funds			
	Balance at 1 April 2017	Incoming resources	Resources expended	Balance at 31 March 2018
	£	£	£	£
Property Maintenance Fund	150,000	-	-	150,000
	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 26 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Tangible assets	1,550,979	2,293,819	3,844,798
Investments	241,439	-	241,439
Current assets/(liabilities)	436,242	36,717	472,959
Provisions	(1,215,532)	-	(1,215,532)
	<u>1,013,128</u>	<u>2,330,536</u>	<u>3,343,664</u>

### 27 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases not included in the Balance Sheet totalling £9,578 (2017: £783).

### 28 Related party transactions

#### Transactions with related parties to key management personnel

During the year the charity entered into the following transactions with related parties to key management personnel:

	Purchase of goods	
	2018 £	2017 As restated £
Key management personnel	6,720	120
	<u>6,720</u>	<u>120</u>

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

29 Cash generated from operations	2018	2017 As restated
	£	£
Surplus for the year	61,100	(931,730)
Adjustments for:		
Investment income recognised in statement of financial activities	(5,310)	(5,623)
(Gain)/loss on disposal of tangible fixed assets	-	162
Loss on disposal of investments	630	-
Fair value gains and losses on investments	12,326	(30,457)
Depreciation and impairment of tangible fixed assets	17,275	20,386
Movements in working capital:		
(Increase)/decrease in stocks	(2,592)	2,950
(Increase)/decrease in debtors	(3,364)	15,508
Increase/(decrease) in creditors	22,259	(38,959)
Increase/(decrease) in provisions	(19,175)	1,234,707
<b>Cash generated from operations</b>	<b>83,149</b>	<b>266,944</b>

# SOLDEN HILL HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 30 Prior period adjustment

#### Changes to the balance sheet

Balances as restated:	At 31 March 2017		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Provisions for liabilities</b>			
Other provisions	(1,196,747)	(37,960)	(1,234,707)
<b>Capital funds</b>			
Income funds			
Restricted funds	2,336,041	-	2,336,041
Unrestricted funds	984,464	(37,960)	946,504
<b>Total equity</b>	<b>3,320,505</b>	<b>(37,960)</b>	<b>3,282,545</b>

#### Changes to the profit and loss account

Net movement in funds as restated:	Period ended 31 March 2017		
	As previously reported	Adjustment	As restated
	£	£	£
Provision for deferred pension liability	1,196,747	37,960	1,234,707
Net movement in funds	1,805,548	(37,960)	1,767,588

The prior period adjustment relates to the recalculation of the charitable company's liability under the MPPS repayment plan (see note 21 to the accounts) due to a material error in the previously reported liability.