

Company Number
Charity registration number

3597323
1071097

GOLDEN LANE HOUSING LIMITED

(A company limited by guarantee)

Report and Financial Statements

Year ended 31 March 2015

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Report of the Trustees for the year ended 31 March 2015

The trustees present their Annual Report for the year ended 31 March 2015 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

Reference and administrative details

The Charity was formed as a company limited by guarantee on 14 July 1998.

Charity Number : 1071097 Company Number : 3597323

Principal Office : 123 Golden Lane, London EC1Y 0RT

Auditors : Crowe Clark Whitehill LLP St Bride's House, 10 Salisbury Square
London EC4Y 8EH

Bankers : Barclays Bank plc Charities Team, Level 28,
1 Churchill Place , London, E14 5HP

Solicitors : Ison Harrison Duke House, 54 Wellington Street,
Leeds, LS1 2EE

Golden Lane Housing became a Registered Provider with the Homes and Communities Agency on 15th January 2015. The registration number is: 4803.

TRUSTEES (DIRECTORS)

The Trustees of Golden Lane Housing Limited are the charity's trustees under charity law and the directors of the charitable company.

The trustees serving during the year and since the year end were as follows:

Neil McCall	Chairman
Stuart Kelly	
Rohan Jensen	
Janet Brown	Retired by rotation and re-elected on 10th December 2014
Manny Lewis	Retired by rotation and re-elected on 10th December 2014
Louise Li	
Chris Barrett	Retired by rotation and re-elected on 10th December 2014
Simon Beddow	

No trustee has any interest in the charity.

Company Secretary : Jan Tregelles

METHOD OF ELECTION

Trustees are appointed by Royal Mencap Society. One third retires by rotation each year. Trustees may appoint new trustees without a member vote, but those trustees must retire at the next Annual General Meeting.

Senior staff members to whom day to day management of the Charity is delegated by the trustees :

Alastair Graham, Marilynne Davis, John Verge, Rod Dugher, Melissa O'Donnell and Adele Currie.

1 - STRUCTURE AND ACTIVITIES

Structure, Governance and Management

Principal Activity

Golden Lane Housing Limited aims to relieve persons in necessitous circumstances by the provision of housing, and the main beneficiary of the charity's work are people with a learning disability, their families and their carers.

Governing document

Golden Lane Housing Limited was formed as a company limited by guarantee on 14 July 1998 and is governed by its Memorandum and Articles of Association. Golden Lane Housing is registered as a charity with the Charity Commission. Golden Lane Housing has a sole member, that member being Royal Mencap Society, which has agreed to contribute £1 in the event of the charity winding up.

Appointment of Trustees

As set out in the Articles of Association, Royal Mencap Society, the member, has the power to appoint trustees. One third of the serving trustees are required to retire at each AGM, such rotation being on the basis of length of service. The longest serving trustee is required to retire. Trustees elected during the year must resign at the next AGM.

Trustee induction and training

New trustees undergo an induction programme that ensures they are briefed on their legal obligations under charity and company law and the content of the Memorandum and Articles of Association. New trustees meet with fellow trustees and officers of Golden Lane Housing and visit a number of the tenants to gain an understanding of the services provided. Appropriate external training is discussed and arranged by officers on behalf of the trustees.

Organisation

The board of trustees meets quarterly with officers in attendance to set strategic direction and review operations. Officers have been granted a range of delegated authorities by the board of trustees to facilitate the efficient running of operations.

Related parties

Golden Lane Housing has a close working relationship with Royal Mencap Society, who as sole member of the charity, has the power to nominate the trustees of the charity. Royal Mencap Society also provided a loan facility to Golden Lane Housing to purchase properties which are then rented to people with learning disabilities but there is no plan for any further loans. The amount outstanding on this loan at 31/03/2015 was £4.51m. Golden Lane Housing has also been successful in attracting a number of other investors including through two public bond offers. Whilst neither the shared property investors nor bondholders are members of the charity, the board of trustees recognise the vital role their investment has played in furthering the objects of the charity.

The Trustees of GLH have received legal advice from Bates Wells & Braithwaite with regard to the nature of the relationship with Mencap. The following extracts are felt to be relevant to these accounts:

"Although GLH is in company law a subsidiary of Mencap it does have different charitable objects and, in any event, in charity law the duty of the trustees are to act in the best interests of the charity's beneficiaries and to always act in accordance with the charity's objects".

"company law requires that a subsidiary's assets and liabilities to be consolidated with the parent company's assets and liabilities in the consolidated accounts, in the case of a charity group it does not mean that the subsidiary's assets are to be deployed to discharge the liabilities of the parent company.

"

Risk Management

Risk management has become an increasingly integral part of GLH's business planning and control processes. Trustees undertake a review of the risk register at each meeting and approve action plans to mitigate the identified risks.

The main risks to which Golden Lane Housing is exposed, continue to fall into six broad areas:

- Financial
- Staff related
- Infrastructure
- Property Maintenance
- Business Growth
- Reputation

Trustees have also ensured the following key mechanisms are in place to facilitate effective internal controls assurance:

- A clearly defined structure which delegates authority, responsibility and accountability;
- A well established budgeting function with monthly reporting of financial performance which incorporates variance analysis, forecast out-turns and key performance indicators;
- Effective procedures to ensure Trustee/Leadership Team approval as appropriate for all major expenditure commitments.

Resulting from a tendering exercise, Beevers & Struthers were appointed during 2013 as internal auditors to GLH. An internal audit needs assessment has been undertaken and a three year programme of internal audit activity approved by the Trustees. They carried out their first internal audit in February 2014 and reported to Trustees.

Trustees remain satisfied that the major risks to which the Charity is exposed are understood, well documented and that appropriate action plans are in place to mitigate these risks.

Activities and Objectives

The Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to guidance in respect of public benefit published by the Charity Commission and are satisfied that all the activities and objectives outlined below are undertaken for public benefit.

Golden Lane Housing (GLH) exists to provide solutions for people with a learning disability, both by direct provision of housing and by providing advice and guidance.

Trustees have approved a Business Plan for the next ten years which has the following key objectives:

- Have a viable business to provide security to our existing tenants;
- Provide a high quality, caring and efficient housing service;
- Grow the number of tenancies and the portion of tenancies supported by Mencap Personal Support.

Security

The ongoing relationship with our tenants is as important as the upfront work of providing homes around which they build their lives. Our tenants first and foremost want security and stability but they also value ongoing contact with GLH. GLH has an important role to play in supporting and advising its tenants, their families and carers. This includes finding ways to enable people to remain in GLH housing even when their benefits are reduced.

Housing Management and Maintenance

GLH provides a high quality housing management service tailored to the needs of the individual with a learning disability. GLH liaises closely with support providers to provide a comprehensive and co-ordinated service and undertakes regular Tenancy Reviews to ensure that all tenancies meet high standards. In addition, our housing advice surgeries provide advice and help to people with a learning disability, their families, carers and other professionals.

Growth

In order to increase the number of "paths" that GLH are able to offer, we continue to develop a range of services designed to meet the different needs of the individuals and families we work with which include:

- Ordinary Houses in Ordinary Streets: where GLH purchases housing and lets it to people with a learning disability.
- Great Tenants: where GLH leases housing from private landlords and lets it to people with a learning disability, using the private rented market and supporting both tenants and private landlords to create sustainable housing solutions.
- My Place: Shared ownership opportunities for people with a learning disability.
- Our House: Legacy and inheritance planning so that people can use the family home as a way of securing accommodation for people with a learning disability following the death of the last carer.

These products enable GLH to increase its impact on people with a learning disability, their families and carers, whilst reducing the capital investment required.

GLH is about people first, both in terms of our tenants, their families and carers and the GLH staff team. We have a deep understanding of the provision of housing for people with a learning disability.

2 - STRATEGIC REPORT

Achievements and performance

Objectives 2014/15: the main objectives worked upon have been to:

- Secure the future of existing GLH tenants and manage their housing needs.
- Ensure the living environment provided in each GLH property is safe, secure and well maintained.
- Provide additional homes for people with a learning disability through an extended range of housing options.

Key Performance Indicators

Security:

In January 2015 we became a Registered Provider with the Homes and Communities Agency (HCA). This has enabled us to secure the tenancies of all our tenants with a learning disability, some of whom had previously had their housing benefit reduced by the local authority. It has also enabled us to plan the future with confidence and to work with other Registered Providers and with local authorities who choose only to work with housing associations who are registered with the HCA.

As a new registered housing provider, we are currently drawing up a full Value for Money self-assessment which will include looking at all the elements set out in the standard and will be made available in the 2016 accounts.

We continued to liaise closely with our tenants and to communicate with them in a variety of formats. We carried out a Tenancy Review across our tenancies during the course of the year, of which the vast majority had a green rating indicating that everything was of a high standard and the issues flagged up in the others have been addressed.

Housing management and maintenance :

GLH further improved our void position in 2014/15 as 110 voids were created and we filled 127 voids. At the end of the year GLH had a void rate of 4.8% (yearly void loss as a percentage of yearly income) which is better than the 5% target. Our debts at the year end were 4.4% of the gross rent roll which is better than our 6% target and better than the previous year.

We delivered our planned maintenance programme of just over £1m. This included planned works to 138 properties covering internal decorations, external decorations, kitchens, bathrooms, heating, doors and windows, roofing, electrical, and external works. We also provided aids and adaptations in 20 properties and environmental works to 36 properties. Our responsive repairs service dealt with over 5,500 repairs of which over 90% were done within the target time.

We procured new repairs contractors who are now enabling a more responsive service and delivering cost savings in a number of ways, including by having different contractors in each region. We also entered into a contract with British Gas for heating and plumbing repairs nationally. Our repairs contractors consistently performed at better than the target of 90% or repairs being completed within target time.

We continued our responsibility for the repair and maintenance of seven schemes in the Anglia area which are home to over 200 residents.

We maintained a strong commitment to regular and positive engagement with GLH tenants through the work of our Housing Teams and our Marketing and Communications Officer.

Over the year, our housing advice surgeries provided detailed and expert advice in response to enquiries including people with a learning disability, their families and carers and other professionals.

We implemented a new staffing structure which has enabled us to have a dedicated, national development team and a national housing management team.

Growth :

2014/15 has seen another year of substantial growth in the number of GLH tenancies for people with a learning disability. Despite the generally challenging economic climate, cuts in resources available to local authorities and Clinical Commissioning Groups and reductions in housing benefit, GLH has provided additional housing across the country for 145 people with a learning disability. Most of the growth (68) was achieved through our Great Tenants product while 52 new tenancies were created in properties purchased using our bond resources, with the remainder through management agreements with other landlords. We completed the programme of purchases funded by our 2013 £10m bond issue which enabled us to buy 27 properties across the country - these are now home to 99 people with a learning disability. In 2014 we raised a further £11m through Retail Charity Bond plc - It was the first ever charity bond to be listed on the London Stock Exchange. We have spent just under half of this £11m in providing housing for a further 57 tenants, and we have a strong pipeline of properties to utilise the remaining amount.

Trustees wish to record thanks and appreciation to the staff team for their hard work in making a real difference to the lives of many people with a learning disability, their families and carers.

3 - PLANS FOR FUTURE PERIODS

The next twelve months will see GLH continue to work on securing tenancies for our existing tenants, further improving the services we provide to tenants, managing the repairs contracts and providing additional accommodation. We will pilot the provision of an in-house repairs service and assess the quality and cost compared to the service delivered through repairs contractors. During the year we approved a Baseline Business Plan for the next ten year period which sees us growing an additional 193 tenancies in 2015/16. We are exploring options to raise further capital to invest in acquiring homes for people with a learning disability in 2015/16 and deliver more housing solutions.

As a new Registered Provider we are currently drawing up a Value for Money self assessment which will include looking at all the elements set out in the standard and will be made available in the 2016 accounts.

We will embed the new staffing structure and further orientate the organisation for growth, reducing overheads and create efficiencies by developing our IT system.

We are confident that we will remain a leading organisation in the provision of housing solutions for people with a learning disability.

4 - FINANCIAL REVIEW

Golden Lane Housing finished the year with an operating surplus and with a cash positive result demonstrating the strong financial management of the charity by its officers. This creates a stable base from which we can continue to change peoples lives.

During the financial year we have reduced our borrowings by £7,898,871, with £1,279,118 being contractual loan repayments and £6,265,574 being the refinancing of a Nationwide loan, and £354,179 being linked to disposal of properties (In 2013/14 the loan repayment was £1,680,100, with £1,399,000 contractual loan repayment and £281,000 linked to disposal of properties).

Investment powers and policy

The treasury plan is reviewed regularly as part of the regular update of the business plan.

Reserves policy

The policy in relation to unrestricted reserves is to set aside as designated funds amounts for specific future purposes as described below and to hold a minimum of £700,000 expenditure cover under undesignated or free reserves, backed by cash. The balance of free reserves backed by cash was £3,933,308 which is adequate.

The trustees have reviewed the reserves of the charity.

Our property portfolio is generally in a good state of repair. A full stock condition survey was completed in March 2010 and provides the platform for our maintenance investment strategy. The information from the survey has been reviewed and analysed and is regularly updated. This knowledge has been used as the basis for the planned maintenance numbers in our business plan. We are confident that future maintenance commitments can be met out of future cash flow. For prudence purposes we ensured that the amount held in designated fund in planned maintenance in our properties will be sufficient to cover our dilapidation liability for all our leased properties, this was increased by £17,567 due to the growth in the Great Tenants properties to reach a total of £179,879.

We have designated £57,128 for VAT future liabilities. This amount was saved from the building cost of two properties by applying the Notice 708 of HMC&E but would be repayable if the properties were sold within the next ten years from March 2007.

We have added the surplus realised on disposal of properties, £13,349 to the Seed Capital to be used in adaption of properties for existing tenants. The fund is now at £28,128.

4 - FINANCIAL REVIEW - continued

We have £5,691,436 worth of non repayable grants in the designated reserves which have been used to finance the purchase and development of properties held in Fixed Assets.

Designated reserves for Cornwall Housing project and Bury Mencap have been released to general reserves.

In 2013/14 an amount of £500,000 had been designated for future bond project purchases in line with the business plan, this was spent on bond properties during 2014/15.

The Tenants support fund was set up in 2012/13 to cover possible future changes in government policy regarding the payment of exempt rents. An amount of £603,362 that was allocated in the budget was kept in designated reserves in 2014/15. This will be reviewed next year after having had a full year functioning as a Registered Provider.

In 2013/14 a London based charity, Greengates donated £60,000 to be used for future housing projects within the area providing housing for people with a learning disability. These funds have not been utilised yet.

Restricted funds invested in property amount to £18,348,624. During the current year we received a grant from the Big Lottery Fund for £26,450 which was used to underpin the fees required to launch and manage the bond offerings.

Unrestricted reserves amount to £13,332,776 which the Trustees consider sufficient given the designations and restrictions outlined above.

4 - FINANCIAL REVIEW - continued**2014 Bond**

As of 31st March 2015:

Amount raised:	£11,000,000	
Amount committed:	£5,194,332	Against 15 properties and 57 tenants
Amount expended:	£4,453,312	Against 15 properties and 57 tenants

Net asset covenant: Net assets - restricted reserves + bond
Bond

$$= \frac{38,301,334 - 18,348,624 + 10,000,000 + 11,000,000}{10,000,000 + 11,000,000}$$

Target > 1.3 Actual as at 31 March 2015 = 1.95

2013 Bond

As of 31st March 2015:

Amount raised:	£10,000,000
Amount expended:	£10,072,000

Net asset covenant: $\frac{38,301,334 - 18,348,624 + 10,000,000}{10,000,000}$

Target > 1.3 Actual as at 31 March 2015 = 2.99

The Social Impact report is available on our website and was in our annual report published in the autumn.

6 – Statement of Trustees' responsibilities

The trustees are responsible for preparing the Strategic Report, the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

that they give a true and fair view of the state of affairs of the charitable company and of its net incoming / outgoing resources for that period. In preparing these financial statements, 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following statements have been affirmed by each of the Trustees of the charitable company:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each Trustee has taken all steps that he/she ought to have taken as a Trustee in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

7- Auditors

The appointment of Crowe Clark Whitehill LLP as auditors for GLH was confirmed at an AGM held on the 10th December 2014.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 17 June 2015 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Name:

17 June 2015

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF GOLDEN LANE HOUSING LIMITED

We have audited the financial statements of Golden Lane Housing Limited (company number 3597323) for the year ended 31 March 2015 set out on pages 13 to 26.

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).

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

We read all the information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2015 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF GOLDEN LANE HOUSING LIMITED

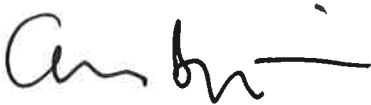
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: 17 June 2015

GOLDEN LANE HOUSING LTD
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income & expenditure account)

Year ended 31 March 2015	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds :					
Voluntary Income :					
Donations and gifts	15	5,816	-	5,816	389,950
Big Lottery Fund grant	15	-	26,450	26,450	145,037
Investment Income	16	26,961	-	26,961	27,236
		<u>32,777</u>	<u>26,450</u>	<u>59,227</u>	<u>562,223</u>
Incoming resources from charitable activities :					
Residential Services :					
Rental income		11,882,692	-	11,882,692	10,778,826
Grants received for property acquisitions		13,067	-	13,067	2,880
Profit/(Loss) on disposal of fixed assets		13,349	-	13,349	(10,661)
Consultant work		38,463	-	38,463	60,656
		<u>11,947,571</u>	<u>-</u>	<u>11,947,571</u>	<u>10,831,701</u>
Other incoming resources		46,589	-	46,589	121,841
TOTAL INCOMING RESOURCES		<u><u>12,026,937</u></u>	<u><u>26,450</u></u>	<u><u>12,053,387</u></u>	<u><u>11,515,765</u></u>
RESOURCES EXPENDED					
Costs of charitable activities :					
17/18					
Residential services		10,628,888	26,450	10,655,337	9,063,564
Consultant work		67,793	-	67,793	68,356
Governance costs		21,290	-	21,290	22,565
		<u>10,717,970</u>	<u>26,450</u>	<u>10,744,420</u>	<u>9,154,485</u>
TOTAL RESOURCES EXPENDED		<u><u>10,717,970</u></u>	<u><u>26,450</u></u>	<u><u>10,744,420</u></u>	<u><u>9,154,485</u></u>
NET INCOME FOR THE YEAR BEFORE TRANSFERS	2	1,308,967	-	1,308,967	2,361,280
Transfer from unrestricted funds to restricted funds		-	-	-	-
INCOME FOR THE YEAR		1,308,967	-	1,308,967	2,361,280
FUNDS AS AT 1 APRIL 2014		18,643,743	18,348,624	36,992,367	34,631,087
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2015	9	<u><u>19,952,710</u></u>	<u><u>18,348,624</u></u>	<u><u>38,301,334</u></u>	<u><u>36,992,367</u></u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

GOLDEN LANE HOUSING LTD
BALANCE SHEET
as at 31 March 2015

Company Number 3597323

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets		83,046,872	78,070,093
Less: Shared investment contributions		(3,115,034)	(3,133,685)
TOTAL FIXED ASSETS	3	<u>79,931,838</u>	<u>74,936,408</u>
CURRENT ASSETS			
Debtors	5	746,368	629,485
Cash at bank and in hand		4,861,804	5,276,375
		<u>5,608,172</u>	<u>5,905,860</u>
CREDITORS: amounts falling due within one year	6	(3,272,699)	(9,360,746)
NET CURRENT ASSETS		<u>2,335,473</u>	<u>(3,454,886)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		82,267,311	71,481,522
CREDITORS: amounts falling due after one year	7	(43,965,977)	(34,489,155)
NET ASSETS		<u>38,301,334</u>	<u>36,992,367</u>
FUNDS			
Restricted funds		18,348,624	18,348,624
Unrestricted funds		19,952,710	18,643,743
Total funds	9	<u>38,301,334</u>	<u>36,992,367</u>

The financial statements were approved and authorised for issue by the Trustees and were signed on its behalf by;



Name:

Date:

17 June 2015

NOTES TO THE ACCOUNTS**1. ACCOUNTING POLICIES****a. Basis of preparation**

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The particular accounting policies adopted by the trustees are described below.

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 2.

b. Incoming resources

The following accounting policies are applied to income:

Donations are accounted for when conditions for their receipt have been met and there is reasonable assurance of receipt and the amount receivable can be estimated. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charitable company has unconditional entitlement.

Grants receivable are recognised in the statement of financial activities when the conditions for receipt of the grants have been fulfilled and the charitable company becomes entitled to payment.

Discretionary grants applied for are not credited until they have been received. Where a grant is received relating to a future accounting period, the Statement of Financial Activities shows the gross amount receivable together with the movement in the amount deferred to future accounting periods.

Deferred grant income at the year end is included in creditors.

Gifts in kind : Assets given for use by the charitable company have been recognised as incoming resources when they become receivable and included either in fixed assets when they are received or in other debtors if they have not yet been received. The basis for valuation is the market value at the time of purchase.

Rental income is recognised on an accruals basis.

c. Resources expended

Liabilities are recognised once there is a legal or constructive obligation that commits the charity to the obligation. Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services are supplied. All resources expended are classified under activity headings that aggregate all costs related to the category.

- Charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the cost of providing residential accommodation to beneficiaries.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs have been allocated to activity cost categories on a basis consistent with the use of resources and in proportion to the amount of time spent by staff on each activity cost category.

NOTES TO THE ACCOUNTS**1. ACCOUNTING POLICIES (continued)****d. Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

e. Funds

The charity's funds consist of restricted funds which have been granted for the purchase of particular properties and are repayable when the properties are sold. The general unrestricted funds represent funds which are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Unrestricted funds may be held in order to finance both working capital and capital investment.

f. Tangible Fixed Assets

Freehold properties are stated in the balance sheet at cost less depreciation, unless any impairment in value is indicated by either periodic external valuations or the annual impairment review, less contributions from individuals and families where these individuals or families have the right to an equity share of the property on disposal, including any resulting profit or loss. It is the opinion of the Trustees that the properties' market value is greater than their historical cost. However, it is not considered the best use of the charity's resources to undertake a full revaluation exercise and therefore it is not practicable to quantify the difference.

Depreciation is provided so as to write off the cost of the assets, net of the shared investment from the individual or families, in equal instalments over the estimated useful lives of the assets.

Assets in the course of construction and freehold and leasehold land have not been depreciated.

The depreciation rates used for other assets are as follows:

Freehold and long leasehold buildings over 100 years : 1% per annum

Capitalised leasehold buildings less than 100 years : Over the term of the lease

Capitalised data system software over 5 years.

Capitalised fixtures and fittings over 10 years.

g. Operating Leases

Rentals applicable to operating leases are charged to the SoFA over the period in which the cost is incurred.

2. NET INCOME FOR THE YEAR

Net income for the year is stated after charging / (crediting):

	2015	2014
	£	£
Depreciation	603,850	551,724
Audit fees	12,505	12,915
Operating lease rentals - land & buildings	2,406,792	1,962,542
(Gain) / Loss on disposal of fixed assets	(13,349)	10,661

NOTES TO THE ACCOUNTS

3. FIXED ASSETS

	Property under construction £	Freehold Land and Buildings £	Leasehold Land and Buildings £	Computer Equipment £	Fixtures and Fittings £	Totals £
Cost						
At 1 April 2014	87,583	77,065,144	5,656,201	231,570	-	83,040,497
Additions	1,442,185	4,045,697	-	-	207,798	5,695,680
Reclassification	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Disposal	-	-	(124,093)	-	-	(124,093)
Balance as at 31 March 2015	<u>1,529,768</u>	<u>81,110,841</u>	<u>5,532,108</u>	<u>231,570</u>	<u>207,798</u>	<u>88,612,084</u>
Accumulated Depreciation						
At 1 April 2014	-	4,335,623	537,353	97,429	-	4,970,405
Charge for the year	-	494,679	47,272	46,314	15,585	603,850
Reclassification	-	-	-	-	-	-
Disposal	-	-	(9,042)	-	-	(9,042)
Balance as at 31 March 2015	<u>-</u>	<u>4,830,302</u>	<u>575,583</u>	<u>143,743</u>	<u>15,585</u>	<u>5,565,213</u>
Net Book Value at 31 March 2015	1,529,768	76,280,539	4,956,525	87,826	192,213	83,046,872
Less shared investment contribution	-	(2,380,347)	(734,687)	-	-	(3,115,034)
	<u>1,529,768</u>	<u>73,900,192</u>	<u>4,221,838</u>	<u>87,826</u>	<u>192,213</u>	<u>79,931,838</u>
Net Book Value at 31 March 2014	87,583	72,729,521	5,118,848	134,141	-	78,070,093
Less shared investment contribution	-	(2,398,998)	(734,687)	-	-	(3,133,685)
	<u>87,583</u>	<u>70,330,523</u>	<u>4,384,161</u>	<u>134,141</u>	<u>-</u>	<u>74,936,408</u>

The Nationwide loans and the Triodos loans are secured via fixed legal charges against specific properties in the portfolio.

The properties are carried on the balance sheet at their historical cost less any impairment.

NOTES TO THE ACCOUNTS

4. TAXATION

The Charity is exempt from corporation tax on its income and gains under section 505 of the Income and Corporation Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives.

5. DEBTORS

	2015	2014
	£	£
Trade debtors	414,932	399,163
Other debtors	331,436	230,322
	<u>746,368</u>	<u>629,485</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	153,991	193,914
Other creditors	1,566	43,470
Due to Royal Mencap Society		
- Loan	321,742	321,742
- Intercompany	873,842	510,679
Loans secured on Freehold Land and Buildings		
- Standard repayment to Nationwide	64,227	60,298
- Standard repayment to Triodos	614,174	635,237
- Repayable to Nationwide in August 2014	-	6,359,946
Accruals and deferred income	1,243,157	1,235,460
	<u>3,272,699</u>	<u>9,360,746</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2015	2014
	£	£
Loan from Royal Mencap Society	4,185,075	5,070,470
Loans secured on Freehold Land and Buildings	18,780,702	19,418,485
Triodos Bond issue (2013)	10,000,200	10,000,200
Corporate Retail Bond issue (2014)	11,000,000	-
	<u>43,965,977</u>	<u>34,489,155</u>

NOTES TO THE ACCOUNTS

7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR (continued)

Royal Mencap Society

Royal Mencap Society has provided loan finance to Golden Lane Housing Limited for the development of housing for people with a learning disability. The long term finance is at an interest rate of 0.5% below base rate, on the basis of full repayment of capital and interest over the period of 25 years from drawdown of the funds and is secured by a second legal charge.

	2015	2014
	£	£
Between 1-2 years	321,742	321,742
Between 2-5 years	965,226	965,226
Over 5 years	2,898,107	3,783,502
	<u>4,185,075</u>	<u>5,070,470</u>

Nationwide Building Society

Following the refinancing carried out in August 2014 of two Nationwide loans, GLH has left a £845,912 loan secured on freehold land and buildings from Nationwide Building Society. This is a fixed term loan, the interest rate for this loan is fixed until June 2025 and is repayable as follows:

	2015	2014
	£	£
Between 1-2 years	68,740	64,228
Between 2-5 years	235,407	220,781
Over 5 years	541,765	625,131
	<u>845,912</u>	<u>910,140</u>

Triodos

The £17,934,790 loans are secured on freehold land and buildings. The loans are subject to variable interest rates except for £14.35m being fixed as at the balance sheet date. The loans are repayable as follows:

	2015	2014
	£	£
Between 1-2 years	646,648	656,738
Between 2-5 years	2,101,989	2,136,747
Over 5 years	15,186,153	15,714,860
	<u>17,934,790</u>	<u>18,508,345</u>

NOTES TO THE ACCOUNTS

7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR (continued)**Housing Bond Issue**

The bond issued in 2013 for a total of £10m paying interest at 4% has now been fully deployed and has been used to purchase 29 properties and house 99 tenants. The bond is repayable on 30th September 2018.

During the year the company has issued through the intermediary of Retail Charity Bond (RCB), a new bond totalling £11m paying a yield of 4.375%. The bond issue was fully subscribed and the full £11m was duly received, the purpose being to purchase properties to rent to people with a learning disability. The funds have been utilised in this purpose. The bond is repayable on 29th July 2021.

At 31 March 2015 the bond funds committed were £5,673,650 whilst the bond funds expensed were £3,991,691 and so at the year end there is a bond funds capital commitment of £1,681,959.

For optimum treasury management, a portion of the RCB bond funds have been used to pay down the Nationwide loan. GLH will then use its Triodos revolving facility, previously earmarked for the refinancing of the nationwide loan, in order to fund the purchase of new properties. This is the most effective use of our funds as it reduces overall interest costs. Ultimately, GLH will be deploying £11m of funds on new properties for people with a learning disability thanks to the money raised through the 2014 RCB bond.

NOTES TO THE ACCOUNTS

8. OPERATING LEASE COMMITMENT

At 31 March 2015 the charity has annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2015 £	Land and Buildings 2014 £
Within one year	590,948	316,147
Two to five years	1,014,260	648,776
More than five years	81,340	86,636
	<u>1,686,548</u>	<u>1,051,559</u>

9. STATEMENT OF FUNDS

	At 1st April 2014 £	Income £	Expenditure £	Transfer £	At 31st March 2015 £
GENERAL RESERVE	11,494,236	12,027,253	(10,731,353)	542,640	13,332,776
DESIGNATED RESERVES					
Maintenance funds	162,312	-	-	17,567	179,879
Seed capital	14,779	-	-	13,349	28,128
VAT for development project	57,128	-	-	-	57,128
Non repayable grants	5,735,859	13,067	-	(57,489)	5,691,437
Corwall Housing project	6,067	-	-	(6,067)	-
Bury Mencap bonds donated	10,000	-	-	(10,000)	-
Development fund	500,000	-	-	(500,000)	-
Tenants support fund	603,362	-	-	-	603,362
Greengates Charity	60,000	-	-	-	60,000
FUNDS	<u>18,643,743</u>	<u>12,040,320</u>	<u>(10,731,353)</u>	<u>0</u>	<u>19,952,710</u>
RESTRICTED FUNDS					
Big Lottery Fund grant	-	26,450	(26,450)	-	-
Property Gifted and Tenanted	625,000	-	-	-	625,000
Cash Donation	-	-	-	-	-
Fixed legal charges	940,856	-	-	-	940,856
Repayable grants	16,782,768	-	-	-	16,782,768
TOTAL RESTRICTED FUNDS	<u>18,348,624</u>	<u>26,450</u>	<u>(26,450)</u>	<u>0</u>	<u>18,348,624</u>
TOTAL FUNDS	<u>36,992,367</u>	<u>12,066,770</u>	<u>(10,757,803)</u>	<u>0</u>	<u>38,301,334</u>

NOTES TO THE ACCOUNTS

9. STATEMENT OF FUNDS (continued)

General Reserves:

This reserve represents the free funds of the charity and is generated by the surplus from the operating activities. This surplus is necessary to meet the capital repayments on the loans with Triodos, Nationwide and Mencap. Over the last few years GLH has effectively been repaying its existing debt out of operating surplus and over time this will lead to a build up of the general reserve. The increase in the general reserve this year has in the main been due to lower interest payments on GLH loans as a result of the continuing record low Bank of England Interest rate as well as other income revenue.

Designated Reserves:

The maintenance fund has been reviewed and increased by £17,567 due to Great Tenants property growth to cover all our dilapidation liabilities for leased properties. The total is now at £179,879.

£13,349 has been added to the Seed Capital to develop properties in the future.

The VAT for development reserve needs to be kept for 10 years from March 2007.

The non repayable grants received fund recognises the value of the assets that have been funded by capital grants and is reduced by the depreciation charge on the assets they have been used to purchase. This amounts to £5,691,437.

Cornwall Housing Project, Bury Mencap donation and the Development fund have been released to general reserve.

The Tenants support fund was set up in 2012/13 to cover possible future changes in government policy regarding the payment of exempt rents. It will be maintained at the same level of £603,362 for another year.

In 2013/14 a London based charity, Greengates donated £60,000 to be used for future housing projects within the area providing housing for people with a learning disability. These funds have not been utilised yet.

The properties gifted to GLH are in the restricted reserve as they are tenanted and could not be disposed of without breaking those tenancies.

NOTES TO THE ACCOUNTS

9. STATEMENT OF FUNDS (continued)

Restricted Fund:

This recognises the value of assets that have been funded by capital contributions and would be repayable upon disposal of those corresponding assets.

The Big Lottery Fund grant was provided to GLH to underpin the legal and administration fees required to establish an asset-backed fund. This has been fully deployed.

Property Gifted and Tenanted relates to three properties which are a restricted fund because of the condition that the properties house particular tenants. The properties gifted to GLH are in the restricted reserve as they are tenanted and could not be disposed of without breaking those tenancies.

Fixed Legal Charge represents a grant received from South Staffordshire Health Authority to purchase four properties. On disposal GLH shall pay to the authority the open market value of the premises less reasonable solicitors and agents fees.

Repayable Grants are capital grants received which are repayable on the disposal of the property. This recognises the value of assets that have been funded by capital contributions and would be repayable upon disposal of those corresponding assets.

NOTES TO THE ACCOUNTS

9. STATEMENT OF FUNDS (continued)

ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	2015	2015	2015	2015
	Restricted	Designated	Unrestricted	Total
	Funds	Funds	Funds	Total
	£	£	£	£
Tangible Fixed Assets	18,348,624	5,691,436	55,891,778	79,931,838
Current assets				
Debtors	-	-	746,368	746,368
Cash at bank and in hand	-	928,497	3,933,308	4,861,805
Current liabilities	-	-	(3,272,699)	(3,272,699)
Long term Liabilities	-	-	(43,965,978)	(43,965,978)
	<u>18,348,624</u>	<u>6,619,933</u>	<u>13,332,777</u>	<u>38,301,334</u>

The majority of the charity funds are invested in property and as stated above the cash free funds of the charity amount to £3,933,308.

10. CASH FLOW STATEMENT

Under the provisions of Financial Reporting Standard No. 1 (revised), the company has not prepared a cash flow statement because it is a wholly owned subsidiary of a parent undertaking whose consolidated financial statements contain a cash flow statement.

11. MEMBERS

The charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2015 there was one member.

12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

Golden Lane Housing has no employees. Work is performed by staff of the Royal Mencap Society who have been seconded to Golden Lane Housing and the costs are charged as part of residential cost expenditure. The total payroll costs recharged by Mencap to GLH for 2014/2015 amounted to £1,900,746 (2013/2014 - £1,683,449).

None of the trustees, or persons related or connected by business to them, has received any remuneration from the Charity during the current or prior year.

During the year £93.80 was reimbursed to one trustee for expenses (£88.75 was reimbursed to trustees for year ended 31 March 2014).

NOTES TO THE ACCOUNTS

13. RELATED PARTIES

The charitable company has taken advantage of the exemption within Financial Reporting Standard 8 "Related Party Disclosures", as a wholly owned subsidiary of Royal Mencap Society, not to disclose transactions with group companies.

14. PARENT COMPANY

The charitable company is a wholly owned subsidiary of Royal Mencap Society, which is also the ultimate controlling body, a charitable company registered in England and Wales. Copies of the group financial statements of Royal Mencap Society may be obtained from Mencap, 123 Golden Lane, London, EC1Y 0RT.

15. VOLUNTARY INCOME

	2015	2014
	£	£
Bond Interest Donated by Bond Holders	4,848	3,085
Bonds Donated by Bond Holders	-	37,900
Donated property	-	285,809
Greengates Charity	-	60,000
Other donations	968	3,156
Big Lottery Fund grant *	26,450	145,037
	32,266	534,987

In August 2012 The Big Lottery Fund awarded Golden Lane Housing a grant of £349,000 over a two year period to underpin the fees required to launch and manage the bond offerings.

The 2013 and 2014 bond funds have been used to purchase properties to house more people with a learning disability, in line with GLH's objects. The Big Lottery Fund grant received in 2014/15 is £26,450. There are no further funds to be received from this grant.

16. INVESTMENT INCOME

Golden Lane Housing's investment income was £26,961 during 2014/15 (2013/14 £27,236).

17. ALLOCATION OF SUPPORT COSTS

Support costs have been allocated to activity cost categories on a basis consistent with the use of resources and in proportion to the staff time spent on each of the activity cost categories.

<u>Support Costs</u>	Residential	Consultant	Governance	2015	2014
	Services			Total	Total
Staff days	9,159	232	30	9,421	9,194
	£	£	£	£	£
Payroll	1,840,889	46,530	6,030	1,893,449	1,676,152
Travel	360,550	9,113	1,181	370,844	347,665
Office Expenses	87,101	2,202	285	89,588	56,721
Training	38,660	977	127	39,764	38,921
Mencap Services	115,278	2,914	377	118,569	154,353
Office rent recharge	239,656	6,057	785	246,498	190,771
	2,682,134	67,793	8,785	2,758,712	2,464,583

NOTES TO THE ACCOUNTS

18. ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes direct charitable activities only and does not make grant payments.

<u>Charitable expenses</u>	Residential			2015	2014
	Services	Consultant	Governance	Total	Total
	£	£	£	£	£
Operating Leases	2,406,792	-	-	2,406,792	1,962,542
Maintenance	2,205,708	-	-	2,205,708	2,027,152
Service Charges	472,222	-	-	472,222	515,286
Professional Services	369,361	-	-	369,361	305,371
Depreciation	603,850	-	-	603,850	551,724
Bad Debt	139,839	-	-	139,839	104,624
Audit fees	-	-	12,505	12,505	12,915
Interest & Finance Charges	1,775,431	-	-	1,775,431	1,210,288
Support costs (note 17)	2,682,134	67,793	8,785	2,758,712	2,464,583
	<u>10,655,337</u>	<u>67,793</u>	<u>21,290</u>	<u>10,744,420</u>	<u>9,154,485</u>

