

**GOLDEN LANE HOUSING**

**FINANCIAL STATEMENTS**

**For the year ended 31 March 2016**

**GOLDEN LANE HOUSING LTD**  
**REPORT AND FINANCIAL STATEMENTS**

Year Ended 31st March 2016

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**Board Members, Executive Officers, Advisors, Bankers and Lenders****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	Chair, retired by rotation and re-elected on 9th December 2015
Stuart Kelly	Retired by rotation and re-elected on 9th December 2015
Rohan Jensen	
Janet Brown	
Manny Lewis	
Louise Li	
Chris Barrett	
Simon Beddow	

No trustee has any interest in the charity.

**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.

**Company Secretary :** Jan Tregelles

**Executive Officers 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.

**Registered Office:** 123 Golden Lane, London EC1Y 0RT

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

**Charity Number :** 1071097      **Company Number :** 3597323

Golden Lane Housing is established as a registered provider of social housing with the Homes and Communities Agency under the Housing and Regeneration Act 2008.

**Homes and Communities Agency Registration Number:** 4083

**Board Members, Executive Officers, Advisors, Bankers and Lenders**  
( continued )

External Auditors :

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

Internal Auditors :

Beever & Struthers  
St George House, 215-219 Chester Road,  
Manchester M15 4JE

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

Lender:

Nationwide Building Society  
Nationwide House, Pipers Way,  
Swindon SN38 1NW

Lender:

Triodos Bank  
Deanery Road,  
Bristol BS1 5AS

## **CORPORATE FRAMEWORK**

### **Our Vision**

The vision for the charity:

To provide a home around which people with a learning disability can build their lives.

### **Our Values**

- Inclusive : We are inclusive. People with a learning disability are at the heart of everything we do.
- Trustworthy : We are trustworthy. When we promise we do not let people
- Caring : We are caring. We treat everyone with respect and kindness.
- Challenging : We are challenging. When we see things that aren't fair, we will campaign until we see real change.
- Positive : We are positive. We never stop believing in a better future and we celebrate what we are proud of now.

### **Strategic Aims**

The vision and values provides the strategic direction of the charity. The charity will achieve its vision and values through its strategic aims.

Three strategic aims are at the centre of our Business Plan.

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

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

**STRATEGIC REPORT OF THE BOARD**

The board is pleased to present its strategic report as required by the Companies Act.

**Performance for the year against each of the three strategic aims :****1. Have a viable business to provide security for our existing tenants**

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. The tenancies started in 2015/16 are in full payment of housing benefit.

**- Financial Review**

Golden Lane Housing once more finished the year with an operating surplus of £1,749,015 and with a cash positive result demonstrating the strong financial management of the charity by its officers. The total net assets at the year end date are £26,105,708. The performance and results creates a stable base from which we can continue to change peoples lives.

During the financial year we have increased our borrowings by £5,599,839, of which a £6,600,000 loan option was taken up whilst we have repaid £1,000,161 of contractual loan repayments.

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

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**STRATEGIC REPORT (continued)****2. Provide a caring and efficient housing service**

We successfully expanded our in-house repairs team so that it now covers half of the country. This has achieved savings for re-investment. 98% of repairs were completed in target time. Around 90% of repairs were completed at first fix. Tenants satisfaction has substantially increased to 96%. In 2015/16 we handled 1,500 repair calls per month and 98% of these were answered within 7 seconds. We met all of our compliance targets.

In 2015/16 we also delivered our ambitious planned maintenance programme. This included planned works to 89 properties covering internal decorations, external decorations, kitchens, bathrooms, heating, doors and windows, roofing, electrical, and external works. We also provided aids and adaptations in 41 properties and environmental works to 24 properties. Our responsive repairs service dealt with over 5,500 repairs of which over 90% were done within the target time.

We also entered into a contract with British Gas for heating and plumbing repairs nationally. 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. We also continued to liaise closely with our tenants and to communicate with them in a variety of formats. We carried out a Tenancy Review including a personal visit across all our properties during the course of the year, of which almost all had a green rating indicating that everything was of a high standard and the issues flagged up in the others have been addressed.

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.

**STRATEGIC REPORT (continued)****3. Grow the number of tenancies and the portion of tenancies supported by Mencap Personal Support**

We started a record number of new tenancies last year: 225 in total. This was mainly due to a combination of our bond programme and our Great Tenants product. Behind every one of those new tenancies is a story of a new lease of life for the person concerned and often for their family as well. Our social impact report has been published on the Social Stock Exchange website and shows clear evidence of substantial improvements in quality of life following the move, including more involvement in the local community, greater independence, greater confidence, better health and learning new skills. It also shows overall savings to the public purse.

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, further developing our in-house repairs team, and providing additional accommodation for over 150 people. We know that a major challenge will be welfare reform and we will continue to argue for appropriate measures to be in place to allow people with a learning disability to have their reasonable housing costs met. We will continue to explore options to raise further capital to invest in acquiring homes which would enable us to have an even greater impact. We will set out in our Value for Money statement how we are reducing costs, increasing efficiency and adding value. We will also review our performance in terms of governance and financial viability.

GLH considers our employee as our most valuable resource. To ensure we continue to invest in our staff, we are launching a bespoke training programme, which will improve standards across the organisation. We expect both customer and staff satisfaction to increase as a result.

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.

This report was approved by the Board on 22nd June 2016 and is signed on its behalf by:

  
.....  
Company Secretary



## REPORT OF THE BOARD FOR THE YEAR ENDED 31 MARCH 2016

The trustees present their Annual Report for the year ended 31 March 2016 under 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.

### 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.

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.

### Value for Money

In line with regulatory requirements we will publish a Value for Money self assessment on our website at [www.glh.org.uk](http://www.glh.org.uk) by **30 September 2016**. It will contain detailed information supporting and expanding on the matters included below on how we think Golden Lane Housing is meeting the Value for Money standard. It will also include other information which is beneficial to those wishing to understand how we deliver value for money.

The board believes that Golden Lane Housing complies with the HCA's standard for VfM as set out below.

In addition to the above the Board set out below why they believe Golden Lane Housing meets the requirements of the Value for Money standard as required by our regulator, the Homes and Communities Agency:-

REPORT OF THE BOARD - continued

Specific expectations of	Summary of how Golden Lane Housing is meeting these expectations
<p><b>1.1 Registered providers shall:</b></p>	
<p>Have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade-offs and opportunity costs of its decisions</p>	<p>Each year we produce a corporate plan that sets out our strategic objectives for the next 10 years and identifies how we plan to deliver them.</p> <p>Our thorough budget setting and business planning processes which are approved by Board ensures that we have an appropriate assessment of what is required in future years.</p> <p>We registered in January 2015 with the HCA as a Registered Provider and Value for Money continues to be a key priority throughout the organisation.</p> <p>Six cross functional staff groups have been set up to establish Value for Money initiatives across GLH that could be implemented during 2016/17. These will be taken to the board in September 2016.</p> <p>Prior to the registration, we were very focused on how we could deliver effective and efficient services to maximise the use of our resources across the charity.</p> <p>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 finalised in the course of 2016 following consultation.</p> <p>We are confident that we will remain a leading organisation in the provision of housing solutions for people with a learning disability.</p>
<p>Understand the return on its assets, and have a strategy for optimising the future returns on assets - including rigorous appraisal of all potential options for improving value for money including the potential benefits in alternative delivery models - measured against the organisation's purpose and objectives</p>	<p>We carried out stock condition surveys on all of our properties which are updated on ActiveH (our management information system). This information is used to populate the 10 year business plan.</p> <p>The GLH stock is located throughout England and Wales along with one property in Northern Ireland. Because of the wide range of locations, property types and sizes, the value of the properties are also over a large range. We have therefore assessed our property portfolio in a number of ways to assess the return on assets. We have used historical profitability of schemes as well as using the net present value of future cash flows. This has enabled us to get a more rounded view of the financial viability of our properties. Given our relatively low number of properties and the wide range of locations we have done the analysis per property.</p> <p>Maximising the financial returns on our existing assets helps to increase our capacity to invest in new assets and support our existing tenants. The purely financial returns on assets in some of our schemes can be low. However, our whole purpose, as a charity is to provide housing solutions for people with a learning disability around which they can build their lives and therefore schemes have been set up and are maintained to satisfy this objective primarily. We judge the financial return on assets in conjunction with the more qualitative social returns such as the wellbeing of our tenants.</p> <p>In the last year we have carried out an historical financial review of all our properties to establish if they have made a surplus or deficit over their life cycle to date. The schemes that have made a low surplus or a deficit since inception have been reviewed individually to see if there are any learning points or changes to be made.</p> <p>Our housing management process uses information from a detailed financial investment appraisal which is undertaken on long-term void properties, to determine the course of action; Reinvest / Remodel / Dispose.</p>

REPORT OF THE BOARD - continued

Specific expectations of the	Summary of how Golden Lane Housing is meeting these expectations
<p>Have performance management and scrutiny functions which are effective at driving and delivering improved value for money performance</p>	<p>We keep accurate and timely data of our service performance coupled with detailed financial records of costs, including performance on loan covenants. Targets are set and monitored for key performance indicators, as is the direction of travel (improving/deteriorating). These are reviewed by the executive team on a monthly basis.</p> <p>An operation performance report is presented to the Board on a quarterly basis. Customers are involved in the selection of contractors and in the review of their performance.</p> <p>GLH received external accreditation of Customer Service Excellence within the year.</p>
<p>Understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so</p>	<p>We are a member of an industry benchmarking club consisting of a group of our peers providing similar housing solutions. The group uses established KPIs to benchmark performance and costs against that of similar organisations.</p> <p>The Management Information Tool pulls a summary of information from across GLH into a dashboard. It uses SMART KPI targets which are linked to the key business objectives.</p> <p>We are expanding our use of technology such as mobile working through our ActiveH and holding more meetings via Skype, improving efficiency while reducing costs.</p> <p>At the start of this year the Direct Labour Operative team were set up to increase value for money by enabling us to take a whole property approach to reactive maintenance, thus reducing the number of call outs and increasing the level of service, quality and customer satisfaction.</p>

REPORT OF THE BOARD - continued

Specific expectations of the HCA	Summary of how Golden Lane Housing is meeting these expectations
<p>1.2 Registered providers' boards shall demonstrate how they are meeting this standard. As part of that process, on an annual basis, they will publish a robust self-assessment which sets out in a way that is transparent and accessible to stakeholders how they are achieving value for money in delivering their purpose and objectives. The assessment shall:</p>	
<p>Enable stakeholders to understand the return on assets measured against the organisation's objectives</p>	<p>Our website will contain a detailed self assessment by 30 September 2016.</p>
<p>Set out the absolute and comparative costs of delivering specific services</p>	<p>We compare costs of individual activities, eg voids, over time and through the budget setting process where comparisons to the previous year are made.</p> <p>We have benchmarked ourselves against our peers and identified where we are more expensive than others. The focus in this area is continuing to help us understand how costs can be reduced without adversely impacting on tenants' satisfaction.</p>

**REPORT OF THE BOARD - continued**

<p>Examples of Value for Money savings. The full report is provided in full on the GLH website from 30th September 2016.</p>	<ul style="list-style-type: none"> <li>- The introduction of the in house repair team has led to a surplus of £40,000.</li> <li>- An annual saving of £60,000 was made on our void security by bringing responsibility for monitoring empty properties internally.</li> <li>- A saving of £320,300 was made on our property insurance compared with the fee paid in 2014/15.</li> <li>- We supported all tenants to claim Severe Mental Impairment exemption for Council tax liability which in 2015 resulted in £100,000 savings.</li> </ul>
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In preparing the above the Board have identified a number of areas where more detailed work is required to enable better informed decisions to be made in respect of Value for Money. An update on progress will be provided in next years self assessment.

**REPORT OF THE BOARD - continued****Governing Document, Board members and Organisation****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. A regular audit is undertaken of Trustees' training and development needs and appropriate internal and external training is arranged by officers on behalf of the trustees.

**Organisation**

The board of trustees meets at least 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 a learning disability but there is no plan for any further loans. The amount outstanding on this loan at 31/03/2016 was £4.19m. 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:

**REPORT OF THE BOARD - continued**

*“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. “*

**FRS 102 and Housing SORP impact**

The GLH Statutory Accounts are in a different format to previous years due to the necessary changes as a result of becoming a registered housing provider and FRS 102.

Due to FRS 102 government grants have been recategorised from reserves to creditors and we have reviewed the capitalisation and depreciation rates used as we now value our assets at the component level over their expected lives, this has resulted in a material change.

**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 and to hold a minimum of 10% of expected turnover as expenditure cover in cash. The balance of free reserves backed by cash was £7,402,868 which is adequate.

Our property portfolio is generally in a very 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.

**Capital Structure and treasury management**

GLH borrowed an additional £6.6 million to bring its total borrowings to £50.6 million at the year end. The additional borrowing was used to support the development programme.

GLH borrows from Triodos Bank and Nationwide Building Society at both fixed and variable rates of interest and currently has 69.6% of its borrowings at fixed rates. The loans are secured by legal charges on the individual properties.

The fixed rates of interest range from 3.34% to 6.6% with the weighted average rate of interest on all loans due to low variable rates being 3.79%.

Gearing calculated as total loans to fixed assets is 52.20% for year ended 2016 (50.74% for 2015).

**REPORT OF THE BOARD - continued****Code of Governance**

The Board of Trustees adopted the Good Governance: A Code for the Voluntary and Community Sector Code in December 2013 and comply with the HCA's Governance and financial Viability Standard.

A review of compliance against the code was undertaken in December 2014 with a further review planned for June 2016. The Board seek to ensure good governance by following the 6 principles of the code and consider performance against these. The principles are: Understanding the board's role, Doing what the organisation was set up to do, Working effectively, Control, Behaving with integrity and Openness and accountability.

Individual and collective board appraisals are carried out and a board development programme produced. This is tailored to each director. This programme focuses on board performance and how the Board ensures its future effectiveness together with tailored events on specific business related topics where a training need has been identified.

The Board obtain external specialist advice from time to time as necessary.

**Health and safety**

The board is aware of its responsibilities on all matters relating to health and safety. GLH has prepared detailed health and safety policies and risk assessments and provides staff training and education on health and safety matters. The Health and Safety Steering Group chaired by the Chief Executive, meets quarterly.

**Customer involvement**

Our Involvement Policy is in line with the regulatory standards. We involve customers both formally and informally and use their feedback to influence service improvements and key decisions. We have a range of different opportunities which ensure customers are involved at all levels. These include:

- Annual Tenant Satisfaction Survey
- Repairs completions surveys
- Complaints feedback survey
- Tenant involvement in recruitment

Furthermore, we have a clear and simple complaints policy that we issue to all customers and a report on complaints is considered annually by the board.



**REPORT OF THE BOARD - continued****Internal controls assurance**

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable (and not absolute) assurance against material misstatement or loss, in line with the Board's view that risks should be controlled and managed.

In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls that are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Charity is exposed.

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;
- Stress testing of the business plan assumptions to understand what changes would be damaging to GLH and what action could be put in place to mitigate the negative impact;
- Effective procedures to ensure Trustee/Leadership Team approval as appropriate for all major expenditure commitments;
- An internal audit programme:-

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. All of their audit reports are reported to Trustees. All internal audits have provided reasonable or substantial assurance.

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.

## REPORT OF THE BOARD - continued

## Risk and uncertainties

Utilising the aforementioned approach GLH had identified in the March 2016 Board meeting the following top five major risks to the successful achievement of its objectives and has updated the impact on the strategic objectives :-

Key risk element	Status	Impact on strategic objectives
Impact of LHA cap on social rents apply	Chance: Medium Impact: Critical	During this uncertain time, GLH will take a prudent approach and will not purchase nor lease properties unless tenants or third parties are prepared to cover any potential shortfall in Housing Benefit from April 2018. This will reduce the number of housing solutions that GLH could offer.
Impact of 4 year 1% rent reduction for RPs	Chance: Low Impact: Critical	Due to the announcement of the exemption for specialist supported housing GLH is not affected by this rent reduction. If this exemption were to be lifted the rental shortfall would be significant.
Abuse of residents	Chance: Low Impact: Major	This would be completely counter to our purpose and would have implications around reputational damage which would limit the number of agencies wanting to work with us. However we have a clear safeguarding policy in place as well as regular tenancy reviews.
Unable to refinance the 2014 bond - in Dec 2021	Chance: Low Impact: Major	There is the option to prolong the bond by another two years within the instrument but the confidence of the market would be affected and we would be unlikely to raise further bond finance.
Increase in void bedspaces and shortfall in income due to increasing number of unfunded voids	Chance: Medium Impact: Significant	Without a proactive control of voids management the business plan would be negatively impacted which could jeopardise refinancing and our value for money indicators through poor returns on assets.

**Statement of Trustees' responsibilities for the annual report and financial statements**

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.

Under company law the Trustees must not approve the financial statements unless they are satisfied 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 Housing 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 the prevention and detection of fraud and other irregularities.

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

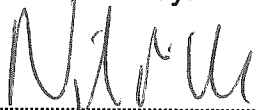
- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- each Trustee has taken all steps that he/she ought to have taken as a Trustee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

**Statement of Trustees' responsibilities for the annual report and financial statements  
- continued**

**Auditors**

The appointment of Crowe Clark Whitehill LLP as auditors for GLH was confirmed at an AGM held on the 9th December 2015.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 22 June 2016 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



.....  
Name:

Date: 22/6/2016

**Independent Auditor's Report to the Members of Golden Lane Housing**

We have audited the financial statements of Golden Lane Housing for the year ended 31 March 2016 set out on pages 22 to 41.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Section 128 of the Housing and Regeneration Act 2008. 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**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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.

In addition, we read all the financial and non-financial information in the Strategic report and the Report of the Board and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Independent Auditor's Report to the Members of Golden Lane Housing**

**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 2016 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, Part 3 of schedule 1 to the Housing Act 1996 and The Accounting Direction for Private Registered Providers of Social housing from April 2015.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Report of the Board 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

adequate accounting records have not been kept; 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  
Cheltenham

Date: 1 July 2016

**GOLDEN LANE HOUSING LTD**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

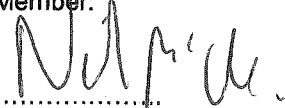
	Note	2016 £	Restated 2015 £
Turnover	2	13,294,679	12,202,069
Operating expenditure	2	(9,690,413)	(8,753,527)
<b>Operating surplus/ (deficit)</b>		<b>3,604,266</b>	<b>3,448,542</b>
Gain/(loss) on disposal of property, plant and equipment (fixed assets)		(28,404)	13,349
Interest receivable		19,943	26,961
Interest and financing costs	6	(1,846,791)	(1,775,431)
<b>Surplus/(deficit) before tax</b>		<b>1,749,014</b>	<b>1,713,421</b>
Taxation		0	0
<b>Surplus/(deficit) for the year after tax</b>		<b>1,749,014</b>	<b>1,713,421</b>
<b>Total comprehensive income for the year</b>		<b>1,749,014</b>	<b>1,713,421</b>

The results relate wholly to continuing activities.

There is no difference between the reported surplus for the period and historical cost surpluses or deficits.

Signed on behalf of the Board:

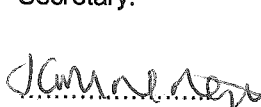
Board Member:

  
.....

Board Member:

  
.....

Secretary:

  
.....

**The notes on pages 26 to 41 form an integral part of these accounts**

**GOLDEN LANE HOUSING LTD**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 MARCH 2016**

	Year ended 31-Mar 2016 £	Restated Year ended 31-Mar 2015 £
<b>Fixed assets</b>		
Tangible fixed assets	8 88,954,946	85,201,090
Other tangible fixed assets	8 <u>212,942</u>	<u>280,041</u>
	<u>89,167,888</u>	<u>85,481,131</u>
<b>Current assets</b>		
Stock	9 3,964	0
Trade and other debtors	10 1,141,733	820,092
Cash and cash equivalents	11 7,402,868	4,861,806
<b>Less: Creditors:</b>		
Amounts falling due within one year	12 2,910,931	3,346,425
<b>Net current assets/ (liabilities)</b>	<u>5,637,634</u>	<u>2,335,473</u>
<b>Total assets less current liabilities</b>	<u>94,805,522</u>	<u>87,816,604</u>
<b>Creditors:</b>		
Amounts falling due after more than one year	13a 68,699,816	63,459,911
<b>Total net assets</b>	<u>26,105,706</u>	<u>24,356,692</u>
<b>Reserves</b>		
Income and expenditure reserve	25,577,228	23,838,453
Restricted (and/or endowment) reserve	528,478	518,239
<b>Total reserves</b>	<u>26,105,706</u>	<u>24,356,692</u>

The financial statements on pages 22 to 25 were approved and authorised for issue by the Board on 22nd June 2016 and were signed on its behalf by:

Board Member:  Board Member:  Secretary: 

**The notes on pages 26 to 41 form an integral part of these accounts**



**GOLDEN LANE HOUSING LTD**

**STATEMENT OF CHANGES IN RESERVES  
FOR THE YEAR ENDED 31 MARCH 2016**

	Income and expenditure reserve	Restricted reserve	Revaluatio n reserve	Restricted fund	Unrestrict ed fund
	£	£	£	£	£
<b>Restated Balance at 1 April 2014</b>	14,975,524	-	-	518,239	7,149,507
Surplus/(deficit) from Statement of Comprehensive Income	1,308,967	-	-	-	-
Transfer from Unrestricted fund to income and expenditure reserves	529,573	-	-	-	(529,573)
2014/15 transition adjustment	404,454	-	-	-	-
<b>Balance at 31 March 2015</b>	<u>17,218,518</u>	<u>-</u>	<u>-</u>	<u>518,239</u>	<u>6,619,934</u>
Surplus/(deficit) from Statement of Comprehensive Income	1,749,015	-	-	-	-
Transfer from Unrestricted fund to income and expenditure reserves	112,923	-	-	-	(112,923)
Transfer of restricted expenditure from unrestricted reserve	(10,239)	-	-	10,239	-
<b>Balance at 31 March 2016</b>	<u>19,070,217</u>	<u>-</u>	<u>-</u>	<u>528,478</u>	<u>6,507,011</u>

The notes on pages 26 to 41 form an integral part of these accounts.

The restricted fund holds repayable grants provided by non-government bodies.

**GOLDEN LANE HOUSING LTD**

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 MARCH 2016**

	Year ended 31-Mar 2016 £	Restated Year ended 31-Mar 2015 £
<b>Net cash generated from operating activities</b>	<b>3,065,267</b>	<b>4,226,542</b>
<b>Cashflow from investing activities</b>		
Purchase of tangible fixed assets	(5,764,677)	(6,147,234)
Proceeds from sale of tangible fixed assets	1,212,243	128,400
Grants received	255,238	26,450
Interest received	19,943	26,961
	<u>                  </u>	<u>                  </u>
<b>Cashflow from financing activities</b>		
Interest paid	(1,846,792)	(1,775,431)
New secured loans	6,600,000	11,000,000
Repayment of borrowings	(1,000,161)	(7,900,258)
<b>Net change in cash and cash equivalents</b>	<u>2,541,061</u>	<u>(414,570)</u>
<b>Cash and cash equivalents at beginning of the year</b>	<b>4,861,806</b>	<b>5,276,375</b>
<b>Cash and cash equivalents at end of the year</b>	<u><u>7,402,868</u></u>	<u><u>4,861,806</u></u>

Note i	Year ended 31-Mar 2016 £	Year ended 31-Mar 2015 £
<b>Cash flow from operating activities</b>		
Surplus/(deficit) for the year	1,749,015	1,713,422
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	962,273	800,141
Decrease/(increase) in stock	(3,964)	-
Decrease/(increase) in trade and other debtors	(395,368)	(184,681)
Increase/(decrease) in trade and other creditors	158,504	(2,314)
Increase/(decrease) in provisions		(4,017)
Increase/(decrease) in amounts owed to group	(730,198)	363,163
Amortisation of grants	(351,769)	
<b>Adjustments for investing of financing</b>		
Proceeds from the sale of tangible fixed assets	28,404	
Government grants utilised in the year	(178,478)	(207,642)
Interest payable	1,846,791	1,775,431
Interest received	(19,943)	(26,961)
<b>Net cash generated from operating activities</b>	<u><u>3,065,267</u></u>	<u><u>4,226,542</u></u>

**The notes on pages 26 to 41 form an integral part of these accounts**

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

The accounts (financial statements) have been prepared in accordance with the Housing SORP 2014: Statement of Recommended Practice for social housing providers applicable to registered providers preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Accounting Direction for Private Registered Providers of Social Housing 2015, Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

Golden Lane Housing meets the definition of a public benefit entity under FRS 102.

The board is satisfied that the current accounting policies are the most appropriate for the company. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**- Company Information**

The charity is a company limited by guarantee, a registered charity, and a registered provider in England and Wales, which is incorporated and domiciled in the UK. The address of the registered office is 123 Golden Lane, London, EC1Y 0RY.

**b. Going concern**

After making enquiries the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, this is supported by a long-term business plan. For this reason, it continues to adopt the going concern basis in the financial statements.

**c. 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.

**c. Incoming resources - continued**

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.

**d. 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.

**e. Irrecoverable VAT**

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

**f. 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.

**g. 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 as a portfolio the properties' open 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 on the face of the accounts.

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.

**g. Tangible Fixed Assets - continued**

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

As a result of FRS 102 we have reviewed the capitalisation and depreciation rates used and this has resulted in a material change due to the implementation of component accounting.

The depreciation rates used for other assets are as follows:

Freehold and long leasehold buildings (structure only) over 100 years : 1% per annum

Capitalised leasehold buildings (structure only) less than 100 years : Over the term of the lease

Bathroom	30 years
Kitchen	20 years
Boiler	15 years
Central Heating	30 years
Roof	60 years
Externals (fascias, soffits)	30 years
Doors	30 years
Windows	30 years
Electrics (rewire)	30 years

Capitalised data system software over 5 years.

Capitalised fixtures and fittings over 10 years.

**h. Financial Instruments**

GLH has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans, bonds and overdrafts, trade and other creditors.

**i. Concessionary Loans**

A concessionary loan was received from the parent company Mencap in June 2000. The interest rate is 0.5% below base rate for the life of the loan, this meant in 2015/16 no interest was paid. The loan repayments are quarterly. Mencap has a legal charge against 164 properties ranking behind that given to commercial lenders. It is held at face value in the accounts.

**j. Government Grants**

In GLH's previous years published accounts government grants were categorised as reserves. As a result of FRS 102 government grants are now categorised as creditors. Non government grants are still categorised as reserves.

**k. Stock**

GLH holds maintenance materials stock at the lower of cost and net realisable value.

**l. Operating Leases**

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

## 2. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	Turnover	2016 Operating expenditure	Operating surplus
	£	£	£
<b>SOCIAL HOUSING LETTINGS (Note 3)</b>	<b>12,974,265</b>	<b>9,688,600</b>	<b>3,285,665</b>
<b>OTHER SOCIAL HOUSING ACTIVITIES</b>			
Supporting People	22,352	1,812	20,539
<b>Other:</b>			
Managed associations	80,514	-	80,514
Rechargeable work	40,704	-	40,704
<b>ACTIVITIES OTHER THAN SOCIAL HOUSING</b>			
Lettings (Note 3b)	89,553	-	89,553
Other	87,290	-	87,290
<b>TOTAL</b>	<b>13,294,679</b>	<b>9,690,413</b>	<b>3,604,266</b>

	Turnover	2015 Operating expenditure	Operating surplus
	£	£	£
<b>SOCIAL HOUSING LETTINGS (Note 3)</b>	<b>11,879,736</b>	<b>8,752,087</b>	<b>3,127,649</b>
<b>OTHER SOCIAL HOUSING ACTIVITIES</b>			
Supporting People	34,574	1,440	33,134
<b>Other:</b>			
Managed associations	85,031	-	85,031
Rechargeable work	38,463	-	38,463
<b>ACTIVITIES OTHER THAN SOCIAL HOUSING</b>			
Lettings (Note 3b)	85,410	-	85,410
Other	78,855	-	78,855
<b>TOTAL</b>	<b>12,202,069</b>	<b>8,753,527</b>	<b>3,448,542</b>

## 3a. TURNOVER AND OPERATING EXPENDITURE

	Supported housing and housing for older people	Total 2016	Total 2015
<b>INCOME</b>			
Rent receivable net of identifiable service charges	11,936,368	<b>11,936,368</b>	10,880,882
Service charge income	431,482	<b>431,482</b>	464,778
Amortised government grants	189,709	<b>189,709</b>	188,993
Other grants	14,239	<b>14,239</b>	13,067
Other income from Social Housing Lettings	402,469	<b>402,469</b>	332,016
<b>TURNOVER FROM SOCIAL HOUSING LETTINGS</b>	<b>12,974,265</b>	<b>12,974,265</b>	<b>11,879,736</b>
<b>OPERATING EXPENDITURE</b>			
Management	3,549,927	<b>3,549,927</b>	3,310,087
Service charge costs	386,688	<b>386,688</b>	470,782
Routine maintenance	712,874	<b>712,874</b>	647,655
Planned maintenance	796,227	<b>796,227</b>	852,276
Major repairs expenditure	181,068	<b>181,068</b>	78,899
Bad debts	147,780	<b>147,780</b>	139,839
Depreciation of Housing Properties	895,053	<b>895,053</b>	776,627
Rent to landlords and ground rent	2,909,786	<b>2,909,786</b>	2,406,792
Other Costs	109,198	<b>109,198</b>	69,130
Operation expenditure on social housing lettings	<b>9,688,600</b>	<b>9,688,600</b>	<b>8,752,087</b>
<b>OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS</b>	<b>3,285,665</b>	<b>3,285,665</b>	<b>3,127,649</b>
<b>Void losses</b>	<b>109,198</b>	<b>109,198</b>	<b>69,130</b>

(being rental income lost as a result of property not being let, although it is available for letting)

## 3b. TURNOVER FROM ACTIVITIES OTHER THAN SOCIAL HOUSING

	2016	2015
	£	£
<b>Lettings</b>		
Market Renting	89,553	85,410
	<u>89,553</u>	<u>85,410</u>

## 4. ACCOMODATION OWNED, MANAGED AND IN DEVELOPMENT

	2016		2015	
	No. of properties Owned	Managed	No. of properties Owned	Managed
<b>Social Housing</b>				
<b>Under development at end of year:</b>				
Supported housing and housing for older people	3	-	11	-
<b>Under management at end of year:</b>				
Supported housing and housing for older people	418	190	402	148
Managed for other bodies	-	144	-	131
	<u>421</u>	<u>334</u>	<u>413</u>	<u>279</u>
<b>Non-Social Housing</b>				
<b>Under management at end of year:</b>				
Market Renting		10		10
		<u>10</u>		<u>10</u>



## 5. GAIN/(LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT (FIXED ASSETS)

	Property Developed for other PRPs £	Shared Ownership Staircasing sales £	Others £	Total 2016 £	Total 2015 £
Proceeds of sales			760,859	760,859	66,400
Less: Costs of sales			(1,119,562)	(1,119,562)	(115,050)
Surplus			(358,703)	(358,703)	(48,651)
Grant Repaid			292,774	292,774	62,000
Non-Repayable grant			37,525	37,525	
			(28,404)	(28,404)	13,349

## 6. INTEREST AND FINANCING COSTS

	Total 2016 £	Total 2015 £
On loans wholly or partly repayable in more than five years	1,781,008	1,586,496
Costs associated with financing	65,783	188,935
	<u>1,846,791</u>	<u>1,775,431</u>
	<u>1,846,791</u>	<u>1,775,431</u>

## 7. SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES

	Total 2016 £	Total 2015 £
The operating surplus is stated after charging/ (crediting):		
Auditors remuneration (excluding VAT):		
Audit of the group financial statements	10,900	10,500
Fees payable to the company's auditor and its associates for other services to the group:		
Taxation compliance services	3,912	-
Operating lease rentals:		
Land and buildings	107,041	104,807
Office equipment	81,554	67,666
Depreciation of housing properties	705,344	587,634
Depreciation of other fixed assets	67,094	61,899

**GOLDEN LANE HOUSING LTD**

Year ended 31st March 2016

**8. TANGIBLE FIXED ASSETS**

	Housing Properties					Other Fixed Assets			
	Social Housing Properties For Letting- Completed	Social Housing Properties For Letting - Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	Total Housing Properties	Property, Furniture and Equipment	Office Equipment	Non-Social Housing Properties	Total Other Fixed Assets
<b>COST</b>									
At start of the year restated	90,445,260	1,529,768	-	-	91,975,028	207,798	231,571	-	439,369
Additions to properties acquired		5,446,500	-	-	5,446,500	-	-	-	-
Works to existing properties	318,177	-	-	-	318,177	-	-	-	-
Disposals	(1,315,553)	-	-	-	(1,315,553)	-	-	-	-
Schemes completed	5,920,745	(5,920,745)	-	-	-	-	-	-	-
At end of the year	95,368,629	1,055,523	-	-	96,424,152	207,798	231,571	-	439,369
<b>DEPRECIATION AND IMPAIRMENT</b>									
At start of the year	(6,773,938)	-	-	-	(6,773,938)	(15,585)	(143,743)	-	(159,328)
Charge for year	(833,181)	-	-	-	(833,181)	(20,785)	(46,314)	-	(67,099)
Disposals	137,912	-	-	-	137,912	-	-	-	-
At end of the year	(7,469,206)	-	-	-	(7,469,206)	(36,370)	(190,057)	-	(226,427)
<b>Net book value at end of the year</b>	<b>87,899,423</b>	<b>1,055,523</b>	<b>-</b>	<b>-</b>	<b>88,954,946</b>	<b>171,428</b>	<b>41,513</b>	<b>-</b>	<b>212,942</b>
Net book value at start of the year	83,671,322	1,529,768	-	-	85,201,090	192,213	87,828	-	280,041

## 8. TANGIBLE FIXED ASSETS - continued

Cost of properties includes £0 (2015: £0) for direct administrative costs capitalised during the year.

	2016	2015
Works to existing properties in the year:		
Improvement works capitalised	-	-
Components capitalised	318,177	450,138
Amounts charged to expenditure	760,866	704,807

Security

The bank loans are secured by fixed charges on individual properties and their carrying value on the balance sheet amounts to £64,597,948.

Terms of repayment and interest rates

The bank and other loans are repaid in monthly and quarterly instalments at various rates of interest ranging from 0% to 6.6%. The Mencap loan was issued on 1st April 2003. The interest rate on the loan is UK base rate minus 0.5% and so during 2015/16 the interest rate paid on the mencap loan was 0%. The final instalments on the various loans fall in the period 2029 to 2036. At 31st March 2016 the group had undrawn loan facilities of £0.91m (2015: £6.69m).

Shared Ownership Properties

Within the year one shared ownership property was sold for £250,000. GLH's share of the funds was £166,667 and the shared owner received £83,333. The gain on disposal for GLH amounted to £38,514. Also within the year one shared ownership contribution of £80,000 was received from Mencap for a property in Cornwall.

**9. STOCK**

	2016	2015
	£	£
Maintenance stock	3,964	-
	<u>3,964</u>	<u>-</u>

**10. TRADE AND OTHER DEBTORS**

	2016	2015
	£	£
Rent arrears	859,375	599,314
Less: provision for bad debts	(154,716)	(110,659)
Other debtors	62,206	59,911
Prepayment and accrued income	374,868	271,525
	<u>1,141,733</u>	<u>820,092</u>

Debtors (rent arrears) greater than one year is £97,115.

**11. CASH AND CASH EQUIVALENTS**

	2016	2015
	£	£
Cash at bank	7,402,868	4,861,806
	<u>7,402,868</u>	<u>4,861,806</u>

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

	2016	2015
Loans	888,328	678,401
Trade creditors	279,955	153,991
Accruals and deferred income	1,165,291	1,243,157
Amounts owed to group undertakings (Mencap) - Concessionary Loan	321,742	321,742
Amounts owed to group undertakings (Mencap) - Intercompany	143,644	873,842
Other creditors	111,971	75,292
	<u>2,910,931</u>	<u>3,346,425</u>

**13a. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
Loans and bonds	45,492,574	39,780,902
Amounts owed to group undertakings (Mencap) - Concessionary Loan	3,863,315	4,185,075
Shared investment contribution - Government grants	931,985	921,674
Shared investment contribution - Non Government grants	2,067,136	2,067,136
Repayable Government Grants	16,344,806	16,505,125
	<u>68,699,816</u>	<u>63,459,911</u>

**13b. DEBT ANALYSIS**

	2016	2015
<b>Loans repayable by instalments:-</b>		
Within one year	1,210,070	1,000,143
In one year or more but less than two years	1,308,051	1,037,130
In two years or more and less than five years	4,170,303	3,302,622
In five years or more	22,877,335	18,626,024
<b>Loans not repayable by instalments:-</b>		
Within one year		
In two years or more and less than five years	10,000,200	10,000,200
In five years or more	11,000,000	11,000,000
Total loans	<u>50,565,959</u>	<u>44,966,120</u>

**2014 Bond**

As of 31st March 2016:

Amount raised:	11,000,000
Amount committed:	1,734,519
Amount expensed:	9,803,786

An additional £800,000 has been provided from reserves to continue with priority projects whilst alternative long term funding is sought. As such, the total of expensed and committed funds is greater than the initial bond.

Net asset covenant:	$\frac{\text{Net assets - restricted reserves + bond}}{\text{Bond}}$
	$= \frac{26,105,708 - 528,478 + 10,000,000 + 11,000,000}{10,000,000 + 11,000,000}$

Target &gt; 1.3

Actual as at 31 March 2016 = 2.22

**2013 Bond**

As of 31st March 2015:

Amount raised:	10,000,000
Amount expensed:	10,072,000

Net asset covenant:	$= \frac{26,105,708 - 528,478 + 10,000,000}{10,000,000}$
---------------------	----------------------------------------------------------

Target &gt; 1.3

Actual as at 31 March 2016 = 3.56

The Social Impact report is available on our website and was in our annual report published in Autumn 2015.

The interest rate profile of the PRP at 31 March 2016 was:

	Variable			Weighted Average Rate %	Weighted Average Term Years
	Total £'000	Rate £'000	Fixed Rate £'000		
Instalment loans	22,656	8,778	13,878	3.86%	12.34
Non-instalments loans	27,909	6,909	21,000	3.50%	14.90
	<u>50,566</u>	<u>15,687</u>	<u>34,879</u>		

At 31 March 2016 the PRP has the following borrowing facilities:

	2016	2015
Undrawn committed facilities		
Undrawn facilities	<u>0.91m</u>	<u>6.69m</u>

**GOLDEN LANE HOUSING LTD**

Year ended 31st March 2016

<b>14. DEFERRED CAPITAL GRANT</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At the start of the year	<b>17,447,798</b>	17,636,791
Grant received in the year	<b>290,000</b>	-
Grant disposed in the year	<b>(271,299)</b>	-
Released to income in the year	<b>(189,709)</b>	(188,993)
At the end of the year	<u><b>17,276,790</b></u>	<u>17,447,798</u>
	<b>£</b>	<b>£</b>
Amounts due to be released < 1 year	<b>188,965</b>	189,709
Amounts due to be released > 1 year	<u><b>17,087,825</b></u>	<u>17,258,090</u>
	<u><b>17,276,790</b></u>	<u>17,447,798</u>

<u>2014/15</u>	b/f	Addition	Disposal	Amortisation	c/f
Repayable Grant	(16,683,429)			178,304	(16,505,125)
Shared Ownership	(953,363)			10,689	(942,674)
					<u>(17,447,798)</u>
<u>2015/16</u>					
Repayable Grant	(16,505,125)	(290,000)	271,299	179,020	(16,344,806)
Shared Ownership	(942,673)			10,689	(931,984)
					<u>(17,276,790)</u>

**15. STATEMENT OF FUNDS**

	At 1st April 2015	Income	Expenditure	Transfer	At 31st March 2016
	£	£	£	£	£
<b>TOTAL UNRESTRICTED FUNDS</b>	23,838,453	13,196,942	(11,458,167)	-	<b>25,577,228</b>
<b>TOTAL RESTRICTED FUNDS</b>	518,239	10,239	-	-	<b>528,478</b>
<b>TOTAL FUNDS</b>	<u>24,356,692</u>	<u>13,207,181</u>	<u>(11,458,167)</u>	<u>-</u>	<u><b>26,105,706</b></u>

Restricted funds are non government grants for shared ownership properties.

**16. CAPITAL COMMITMENTS**

	2016 £	2015 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	464,713	1,110,478
Capital expenditure that has been authorised by the Board but has not yet been contracted for	1,269,806	-
	<u>1,734,519</u>	<u>1,110,478</u>
The PRP expects these commitments to be financed with:		
Social Housing Grant		
Proceeds from the sales of properties	800,000	
Committed loan facilities	934,519	1,110,478
	<u>1,734,519</u>	<u>1,110,478</u>

The above figures include the full cost of shared ownership properties contracted for.

**17. OPERATING LEASES**

The PRP holds properties and office equipment under non-cancellable operating leases. At the end of the year the PRP had commitments of future minimum lease payments as follows:-

	2016 £'000	2015 £'000
Land and buildings:		
Less than one year	1,404,666	1,392,456
In one year or more but less than two years	-	-
In two years or more and less than five years	1,033,663	726,049
In five years or more	13,395	13,125
	<u>2,451,724</u>	<u>2,131,630</u>



**18. STAFF COSTS**

GLH does not employ any staff. The staff working for GLH are employed by Mencap and their salaries are recharged to GLH.

The remuneration paid to key management personnel ( salary, allowances and pension contributions but excluding NI contributions) in 2015/16 was £388,172.

The remuneration payable to the highest paid director in 2015/16, excluding pension and NI contribution, was £96,099.

The full time equivalent number of staff whose remuneration payable within each band of £10,000 from £60,000 (including salaries, expense allowances and contributions to pensions) were:

£60,000 to £70,000 : 3.6 FTE

£70,000 to £80,000 : nil

£80,000 to £90,000 : nil

£90,000 to £100,000 : nil

£100,000 to £110,000 : 1 FTE

The Chief Executive receives pension contributions equal to 5% of their salary. The pension scheme is a defined contributions scheme funded through rental income received.

The Chief Executive is an ordinary member of the pension scheme and no enhanced or special terms apply.

No compensation was made to any Directors or past Directors in relation to the period of account in respect of loss of office.

The aggregate amount of Directors' or past Directors pensions recognised within the financial statement for the year is £14,576.

**19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a wholly owned subsidiary of Mencap, a charity registered and incorporated in the United Kingdom. A copy of that charitable company's accounts can be obtained from the registrar of Companies.

**20. RELATED PARTIES**

The following intra group transactions occurred during the year. Central services were provided by Mencap, the details and costs were as follows:

Business support (which includes HR, recruitment, payroll, procurement)	£48,969
Learning, development and quality	£29,854
Legal support	£6,446
IT support	£50,374
Senior management team support	£22,000

GLH also has a concessionary loan from Mencap of £4,185,057 at 31/03/2016. Capital and interest on the loan are repaid quarterly.

**21. IMPACT OF ADOPTION OF FRS 102 AND PRIOR YEAR ADJUSTMENT**

On adoption of FRS 102 the Association have restated the comparatives, the impact on reserves is as follows:

	Reserves at transition date 01-Apr-14	Surplus/ (deficit) Year ended 31-Mar-15	Reserves at 01-Apr-15
	£	£	£
<b>As previously stated under former UK GAAP</b>	36,992,367	1,308,967	38,301,334
Prior year adjustment	(14,349,097)	404,454	(13,944,643)
<b>As restated under former UK GAAP</b>	22,643,270	1,713,421	24,356,691
<b>Transitional adjustments</b>			
Re-categorise Government Grants	(17,830,385)	-	(17,830,385)
Amortisation of Government Grants	1,146,957	178,304	1,325,260
Amortisation of Government Shared Ownership	115,536	10,689	126,225
<b>As stated in accordance with FRS 102</b>	<u>(16,567,892)</u>	188,993	<u>(16,378,899)</u>
<b>Prior year adjustment</b>			
Implementation of Component Accounting	2,218,795	215,462	2,434,256
<b>Total adjustments</b>	<u>(14,349,097)</u>	404,454	<u>(13,944,643)</u>

In accordance with FRS102, grants received from Government bodies were re-categorised from reserves to creditors. An adjustment was then made to restate the historical amortisation relating to the grant as previously the grants were not amortised.

We have also reviewed the capitalisation and depreciation rates used as we now value our assets at the component level over their expected lives, this has resulted in a material change.

**22. TAX**

Golden Lane Housing is a registered charity. Under Part 11 CTA 2010, it is entitled to exemption from corporation tax on donations, investment income and gains, and on profits from any trading activities carried out in the furtherance of the charity's primary objectives, if they are applied to charitable purposes.

**23. FINANCIAL INSTRUMENTS**

At the balance sheet date the charity held financial liabilities at fair value of £ 69,909,886 (2015 £64,379,677). This figure includes long term loans from the Royal Mencap Society, Nationwide Building Society and Triodos bank, and other forms of financing including Bonds, Grants and shared ownership agreements.

Other financial instruments include:

Cash deposits	£7,402,868 (2015 : £4,861,806)
Trade and other debtors	£1,141,733 (2015 : £820,092)
Trade creditors	£279,955 (2015 : £153,991)