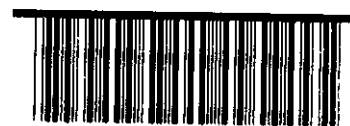


**SOCIETY OF ST JAMES**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**



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# **SOCIETY OF ST JAMES**

## **Financial statements for the year ended 31 March 2005**

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# **SOCIETY OF ST JAMES**

## **Annual report information**

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**Trustees and Directors:** G Tunney (Chairperson)  
C Goodhead (Treasurer)  
R Barnett  
A Douglas  
D Barrett  
B Hooper  
U Nwachuku  
A Lee  
N Cato (appointed 15 May 2005)

**Company Secretary:** T Pickup

**Registered Office:** Fairways House  
Mount Pleasant Industrial Estate  
Mount Pleasant Road  
Southampton  
SO14 OQB

**Registered Company Number:** 3009700

**Housing Corporation  
Registration Number:** LH4337

**Registered Charity Number:** 1043664

**Auditors:** BDO Stoy Hayward LLP  
Park House  
102-108 Above Bar  
Southampton  
SO14 7NH

**Solicitors:** Blake Lapthorn  
New Court  
1 Barnes Wallis Road  
Segensworth  
Fareham  
PO15 5UA

**Bankers:** Bank of Scotland  
144-148 High Street  
Southampton  
SO14 2JF

## **SOCIETY OF ST JAMES**

### **Report of the Board of Trustees for the year ended 31 March 2005**

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The Board of Trustees presents its report and the financial statements for the year ended 31 March 2005 which should be read in conjunction with the information on page 2. All of the Trustees are directors of the charitable company for the purposes of company law.

The Society of St James is a company limited by guarantee and is registered with the Housing Corporation (number LH4337). The liability of the members is limited by their guarantee. In the event of the Society being wound up during the period of their membership (or within the year following), members undertake to contribute such amounts as may be required, but not exceeding £10.

#### **Principal Activity**

The Society of St James has as its objects (as defined in the Memorandum of Association):-

- 1) to provide sustenance and accommodation for homeless persons.
- 2) to promote the study of, and research into, all aspects and methods of the prevention of homelessness and to obtain and make records of and disseminate information concerning the same.
- 3) to promote, support or carry out either alone or in co-operation with any body, authority or person and projects or schemes in connection with any methods to overcome homelessness and to provide money for such purposes whether by way of a loan or otherwise.

To further these objects the Society owns or manages a number of properties in Southampton, in which accommodation and subsistence are provided for homeless people.

#### **Review of the Year**

The Trustees are able to report on another successful year for the Society of St James, in which our principal activities have continued to be to provide services in Southampton to homeless and vulnerably housed people.

The mission of the Society is:

"To reach out to vulnerable individuals, providing progressive person centred care, support and housing to Southampton's diverse range of homeless people".

The Society either owns or manages 188 units of accommodation and also supports a number of additional people in the Community through the substance misuse service and our home support service.

The Board meets every two months, receiving reports and recommendations from the Finance, Housing and Community Service, Personnel, Development and Director's Remuneration Committees. The Director reports to the Board, with the Director and other Senior Managers reporting to the Committees.

The Society ended the year with a surplus of £93,620, which represents 3.6% of turnover. This small surplus will be added to our reserves. As previously reported, the Board continues to be concerned that the level of reserves is low and below the recommended level for organisations of this size. The Society will continue to work towards increasing its reserves up to the equivalent of 3 months running costs, as explained in the Society's reserves policy (below).

Since the year end, no major transactions have taken place. However in the month before the end of the Financial Year, the Society launched a new social enterprise, the Micropropagation Unit. Funded through a SEEDA grant administered by the City Council, the project aims to propagate plants in a sterile environment and to sell them on a commercial basis.

## **SOCIETY OF ST JAMES**

### **Report of the Board of Trustees for the year ended 31 March 2005 (continued)**

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#### **Review of the year (continued)**

The Society continues to hold a small number of investments, which are held in Charity Commission, approved Common Investment Funds. These are described in note 11 and are held in accordance with the Trustees powers. The Trustees have full discretionary powers. Some of the reserves held in these funds are specifically set aside to meet long term maintenance obligations. As the Society now owns numerous properties it is appropriate for reserves to continue to be built up, and this continued in this year - see note 17.

The Society has not changed any of its accounting policies in the year, so that this year's results are based on the same principles as last year. The value of property owned outright by the Society has fallen and risen over the last few years, due to changes in the property market. Since the increased market values are unlikely to be realised these changes have not been reflected in the accounts, as this would create a distortion.

The Society continues to be dependent on a small number of key partners, such as Southampton City Council, the Housing Corporation and partner RSL's. However, the Society continues to be well regarded by these bodies and other funders.

The Board is confident that the Society is well placed financially to continue in its work and to develop in the future.

#### **Reserves**

The Society of St James needs to ensure that it has sufficient cash in the bank account to enable it to make payments as required. The balance of income against expenditure needs to be managed to ensure that the cashflow remains positive.

As the Society grows the total debts owed to the Society at any one time is likely to increase, which can put pressure on our ability to make payments.

It is also good practice to hold funds in case of an unforeseen delay in receiving funds. This is normally measured in terms of how many months of running costs could be met by reserves. The Charity Commission considers reserves of less than 3 months running costs to be inadvisable.

#### *Policy Objectives*

The Society's policy will be to seek to build up general reserves up to the equivalent of 3 months running costs. Since this will be achieved by realising a series of surpluses over coming years, the Society will seek to meet this objective in the medium term. The reserves will be held as cash and as liquid investments.

During the year a net amount of £105,285 was transferred to designated reserves and an additional net amount of £2,400 was classified as restricted reserves. Full details of these movements are shown in notes 17 and 18 of the financial statements.

#### **Risk Management**

The Society seeks to follow good business practice, including the on-going assessment and management of business risks. The Society produces an annual Risk Management Plan, which is compiled in line with the Business Plan and the five year Financial Plan. This identifies risks which occur from both the existing activities and from new developments. Having identified these risks, the most significant are evaluated in terms of their impact on the Society and strategies identified to manage the risks.

The Board is confident that while the Society has a healthy appetite for risk, it is matched by a sophisticated range of risk management tools.

**Trustees**

Details of Trustees and Directors are given on page 2.

**Statement of the Board of Trustees' responsibilities**

Company Law requires the Board of Trustees (as directors of the charitable company) to prepare financial statements for each financial year, which give a true and fair view of the state of the charitable company at the end of the financial period and of its surplus or deficit for that period. In preparing those financial statements the Board of Trustees is required to:-

- Select appropriate accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Board of Trustees is responsible for keeping proper accounting records which disclose the financial position of the charitable company and to enable them to ensure that the financial statements comply with Schedule 1 to the Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2000 and the Companies Act 1985. The Board of Trustees is responsible for instituting adequate systems of control over the records and the transactions of the charitable company and for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

**By order of the Board**



**T Pickup**  
Secretary

20 September 2005

## **SOCIETY OF ST JAMES**

### **Report of the independent auditors to the members of the Society of St James**

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We have audited the financial statements of the Society of St James for the year ended 31 March 2005 on pages 8 to 22, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 11 and 12.

#### **Respective responsibilities of the Board of Trustees and Auditors**

The Society's Board of Trustees is responsible for preparing the Board of Trustees' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Housing Corporation, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2000 and the Companies Act 1985. We also report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the charitable company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

This report has been prepared pursuant to the requirements of the Companies Act 1985 and Schedule 1 to the Housing Act 1996 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 and Schedule 1 to the Housing Act 1996 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**SOCIETY OF ST JAMES**

**Report of the independent auditors to the members of the Society of St James (*continued*)**

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**Opinion**

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 2005 and of its result for the year then ended and have been properly prepared in accordance with Schedule 1 to the Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2000 and the Companies Act 1985.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants &*

*Registered Auditors*

Southampton

*28 September 2005*



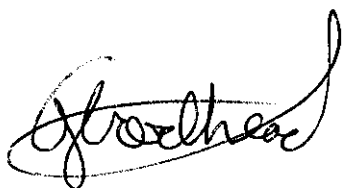
# SOCIETY OF ST JAMES

## Income and expenditure account for the year ended 31 March 2005

	Notes	2005 £	2004 £
<b>Turnover</b>	3	2,538,429	2,281,806
Cost of sales	3	2,153,853	1,986,446
<b>Gross surplus</b>		384,576	295,360
Administrative expenses	3	179,421	162,897
<b>Operating surplus</b>	2,3	205,155	132,463
Interest receivable	6	17,056	11,342
Interest payable	7	(20,906)	(16,588)
<b>Surplus on ordinary activities before taxation</b>		201,305	127,217
Tax on surplus on ordinary activities	8	-	-
<b>Surplus on ordinary activities after taxation</b>		201,305	127,217
Transfer to designated reserves	17	(105,285)	(35,603)
Transfer (to)/from restricted reserves	18	(2,400)	6,120
<b>Retained surplus for the financial year</b>		93,620	97,734
Revenue reserve brought forward		393,020	295,286
<b>Revenue reserve carried forward</b>		£486,640	£393,020

All the activities of the charitable company are classed as continuing.

The financial statements on pages 8 to 22 were approved by the Board of Trustees on 25 September 2005 and are signed on its behalf by:-




## **SOCIETY OF ST JAMES**

### **Statement of total recognised surpluses and deficits for the year ended 31 March 2005**

	<b>Notes</b>	<b>2005 £</b>	<b>2004 £</b>
<b>Surplus for the year</b>		201,305	127,217
Unrealised surplus on investments	16	33,316	17,834
Transfer of grant to fixed assets from restricted reserves	9	(8,216)	-
<b>Total recognised surpluses for the year</b>		<u>£226,405</u>	<u>£145,051</u>

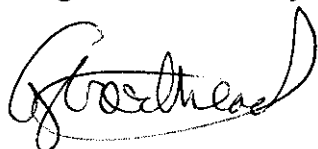
The notes on pages 11 to 22 form part of these financial statements.

# SOCIETY OF ST JAMES

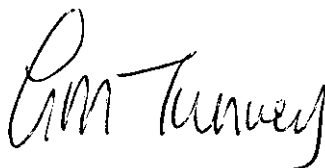
## Balance sheet at 31 March 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Housing properties		3,102,389	3,106,019
Less: Grants received		(2,233,386)	(2,225,170)
Other fixed assets	9 10	869,003 5,195	880,849 5,521
Investments	11	874,198 256,359	886,370 98,043
		1,130,557	984,413
<b>Current assets</b>			
Debtors	12	151,352	132,167
Cash at bank and in hand		427,153	453,582
		578,505	585,749
<b>Creditors : Amounts falling due within one year</b>	13	(302,195)	(381,827)
<b>Net current assets</b>		276,310	203,922
<b>Total assets less current liabilities</b>		£1,406,867	£1,188,335
<b>Creditors</b>			
Amounts falling due after more than one year	14	374,079	381,952
<b>Capital and reserves</b>			
Revaluation reserve	16	60,672	27,356
Designated reserves	17	204,034	98,749
Restricted reserves	18	281,442	287,258
Income and expenditure account		486,640	393,020
		£1,406,867	£1,188,335

The financial statements on pages 8 to 22 were approved by the Board of Trustees on 25 September 2005 and are signed on its behalf by:-



C J GOODHEAD



GM TUNNEY

The notes on pages 11 to 22 form part of these financial statements.

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards and the Statement of Recommended Practice "Accounting by Registered Social Landlords (Update 2002)" and comply with the Accounting Requirements for Registered Social Landlords General Determination 2000. A summary of the more important accounting policies, which have been applied consistently (except where stated) is set out below:-

- a) *Accounting convention*  
These financial statements are prepared under the historical cost convention (modified for the revaluation of certain investments).
- b) *Turnover*  
The turnover shown in the income and expenditure account represents rent and service charge income together with revenue grants and donations.
- c) *Freehold housing property*  
Housing properties are stated at cost less any capital grants received in respect of the property.

Depreciation is provided to write off the cost of freehold buildings less any expected residual value over their expected useful life of 50 years using the straight line method. No depreciation is charged on freehold land.

Social Housing Grant and other grants are deducted from the cost of housing properties in contravention of paragraphs 17 and 26 of Schedule 4 to the Companies Act 1985. This departure from the Companies Act has been made in order to comply with the Statement of Recommended Practice "Accounting by Registered Social Landlords (Update 2002)" and with the overriding requirement of the General Determination 2000 and the Companies Act for accounts to be produced so as to give a true and fair view.

- d) *Other fixed assets*  
Expenditure on other tangible fixed assets is capitalised only when it has a life of more than one year and has a value of more than £1,000. The cost of other items are written off as incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off cost over their expected useful life using the straight line method.

The rates applied are:-

Office and housing furniture and equipment	25% - 50% straight line
--	-------------------------

- e) *Housing Association Grant, Social Housing Grant and other Public Grants*  
Housing Association Grant, Social Housing Grant and other public grants are treated as grants for accounting purposes although capital grants are repayable under certain circumstances, primarily following the sale of a property.
- f) *Operating leases*  
Annual rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.
- g) *Pension costs*  
Payment made for defined contribution pension schemes are charged to the income and expenditure account in the period in which they are paid.

## SOCIETY OF ST JAMES

### Notes to the financial statements at 31 March 2005 (*continued*)

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#### 1. Accounting policies (*continued*)

h) *Designated Reserves*

Designated reserves are part of unrestricted reserves, which have been earmarked by the Board of Trustees' for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made from designated reserves as appropriate.

i) *Restricted Reserves*

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in accordance to a specific appeal or application. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate where a restricted reserve is represented by assets that are then revalued. The revaluation element is added to the restricted reserve.

j) *Investments*

Investments are valued at current market value.

k) *Provisions*

The use of provisions is restricted to situations where a liability exists but where there is some uncertainty as to the timing or amount of the expenditure or the identity of the creditor.

#### 2. Operating surplus

Operating surplus is stated after charging:-

		2005	2004
		£	£
Depreciation	- housing properties	14,298	14,064
	- other fixed assets	3,902	4,422
Auditors' remuneration	- as auditors	3,360	3,200
	- other	3,660	2,613
Operating lease costs	- land and buildings	195,549	178,938

#### 3. Turnover

The turnover and surplus before tax are attributable to the charitable company's principal activity of the provision of sustenance and accommodation to the homeless.

# SOCIETY OF ST JAMES

## Notes to the financial statements at 31 March 2005 (*continued*)

### 3a. Particulars of turnover, cost of sales, operating costs and operating surplus

	Turnover £	Cost of sales £	Other Operating costs £	2005 Operating surplus/ (deficit) £	2004 Operating surplus/ (deficit) £
<i>Social housing lettings (Note 3b.):</i>	2,165,508	1,796,445	142,848	226,215	135,194
<i>Other social housing activities:</i>					
Soup run	2,000	-	-	2,000	1,546
Home support	118,467	125,703	17,482	(24,718)	(16,425)
Substance misuse support service	126,685	105,996	5,388	15,301	31,859
	247,152	231,699	22,870	(7,417)	16,980
<i>Other non-social housing activities</i>					
Jamie's Computer Club	107,759	118,726	13,703	(24,670)	(19,711)
Micro-propagation unit	18,010	6,983	-	11,027	-
	125,769	125,709	13,703	(13,643)	(19,711)
	<u>£2,538,429</u>	<u>£2,153,853</u>	<u>£179,421</u>	<u>£205,155</u>	<u>£132,463</u>

### 3b. Particulars of income and expenditure from lettings

	2005 Total £	2004 Total £
<i>Income from lettings:</i>		
Rent receivable net of identifiable service charges	630,337	487,451
Service charges receivable	101,864	215,317
Counselling and support	-	17,806
Gross rents receivable	732,201	720,574
Less: Rent losses from voids	(45,907)	(52,707)
Net rents receivable	686,294	667,867
Supporting People Grant	1,356,268	1,262,254
Other revenue grants and donations	122,946	130,392
Turnover from social housing lettings (carried forward)	<u>2,165,508</u>	<u>2,060,513</u>

# SOCIETY OF ST JAMES

## Notes to the financial statements at 31 March 2005 (continued)

### 3b. Particulars of income and expenditure from lettings (continued)

	2005 Total £	2004 Total £
Turnover from social housing lettings (brought forward)	2,165,508	2,060,513
<i>Expenditure on letting activities:</i>		
Management	157,028	132,131
Services	1,479,420	1,378,450
Routine maintenance	20,042	121,599
Planned maintenance	5,673	10,351
Major repairs expenditure	43,806	49,047
Rent losses from bad debts	10,373	14,954
Property lease charges	195,549	172,078
Depreciation of housing properties	14,298	14,064
Other costs	13,104	32,645
Total operating costs on social housing lettings	1,939,293	1,925,319
Operating surplus on social housing lettings	£226,215	£135,194

All amounts relate to supported housing.

### 4. Staff Costs

	2005 £	2004 £
Wages and salaries	1,444,522	1,242,231
Social security costs	130,246	109,469
Other pension costs	42,529	34,371
	£1,617,297	£1,386,071

The average number of staff employed by the company during the year (expressed in full time equivalents) was:-

73	67
----	----

## SOCIETY OF ST JAMES

### Notes to the financial statements at 31 March 2005 (*continued*)

#### 5. Chief Executive emoluments

	2005 £	2004 £
The Chief Executive's aggregate emoluments in respect of qualifying services were:-		
Emoluments received	44,501	42,238
Value of company pension contributions to money purchase schemes	4,005	3,750
	<u>£48,506</u>	<u>£45,988</u>

Emoluments of the highest paid director (Chief Executive):

	2005	2004
Emoluments	<u>£44,501</u>	<u>£42,238</u>

No member of the Board of Trustees received any remuneration in either the current or comparative years.

#### 6. Interest receivable and similar income

	2005	2004
Interest receivable	<u>£17,056</u>	<u>£11,342</u>

#### 7. Interest payable

	2005	2004
Mortgage interest	<u>£20,906</u>	<u>£16,588</u>

#### 8. Tax on surplus on ordinary activities

The Society of St James is a registered charity and is exempt from liability to taxation on its income and capital gains.



# SOCIETY OF ST JAMES

## Notes to the financial statements at 31 March 2005 (*continued*)

### 9. Housing property

	Freehold land & property £
<i>Cost</i>	
At 1 April 2004	3,137,952
Additions	10,668
	<hr/>
At 31 March 2005	3,148,620
	<hr/>
<i>Other public grants received</i>	
At 1 April 2004	(351,566)
Grants received during year	(8,216)
	<hr/>
At 31 March 2005	(359,782)
	<hr/>
<i>SHG received</i>	
At 1 April 2004 and 31 March 2005	(1,873,604)
	<hr/>
At 31 March 2005	915,234
	<hr/>
<i>Depreciation</i>	
At 1 April 2004	31,933
Charge for the year	14,298
	<hr/>
At 31 March 2005	46,231
	<hr/>
<i>Net book value</i>	
At 31 March 2005	£869,003
	<hr/>
At 31 March 2004	£880,849
	<hr/>

Included in freehold land and property is freehold land amounting to £406,370 (2004: £406,370), which is not depreciated.

# SOCIETY OF ST JAMES

## Notes to the financial statements at 31 March 2005 (*continued*)

### 10. Other fixed assets

	Office furniture £	Housing furniture £	Total £
<i>Cost</i>			
At 1 April 2004	35,918	47,288	83,206
Additions	3,576	-	3,576
	<hr/>	<hr/>	<hr/>
At 31 March 2005	39,494	47,288	86,782
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2004	34,149	43,536	77,685
Charge for the year	2,652	1,250	3,902
	<hr/>	<hr/>	<hr/>
At 31 March 2005	36,801	44,786	81,587
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2005	£2,693	£2,502	£5,195
	<hr/>	<hr/>	<hr/>
At 31 March 2004	£1,769	£3,752	£5,521
	<hr/>	<hr/>	<hr/>

### 11. Investments

	2005 £	2004 £
<i>Cost or valuation</i>		
Valuation at 1 April 2004	98,043	60,477
Additions	125,000	19,732
Revaluation	33,316	17,834
	<hr/>	<hr/>
Valuation at 31 March 2005	£256,359	£98,043
	<hr/>	<hr/>
Historic cost	£195,687	£70,687
	<hr/>	<hr/>

All fixed asset investments are listed.

### 12. Debtors

	2005 £	2004 £
Trade debtors	101,944	78,216
Grants receivable	20,993	27,711
Other debtors	5,800	1,855
Prepayments and accrued income	22,615	24,385
	<hr/>	<hr/>
	£151,352	£132,167
	<hr/>	<hr/>

Trade debtors include rent arrears of £64,110 (2004: £65,900) net of provisions for bad and doubtful debts of £142,219 (2004: £155,667).

# SOCIETY OF ST JAMES

## Notes to the financial statements at 31 March 2005 (*continued*)

### 13. Creditors : Amounts falling due within one year

	2005 £	2004 £
Mortgage	8,178	8,474
Trade creditors	124,824	176,184
Grants in advance	88,036	8,143
Taxation and social security	39,417	32,612
Other creditors	1,094	83,696
Accruals and deferred income	40,646	72,718
	<u>£302,195</u>	<u>£381,827</u>

### 14. Creditors : Amounts falling due after more than one year

	2005 £	2004 £
Secured mortgage	<u>£374,079</u>	<u>£381,952</u>

In 2003, the Society of St James obtained a mortgage of £400,000 which is repayable at a variable rate of interest equal to the 6 month LIBOR rate +0.65%. The mortgage is secured by a fixed charge over two of the Society's properties. The mortgage is repayable as follows:-

	2005 £	2004 £
In less than one year	8,178	8,474
In more than one year but less than two years	8,829	8,923
In more than two years but less than five years	29,702	29,709
In more than five years	335,548	343,320
	<u>£382,257</u>	<u>£390,426</u>

The mortgage is repayable over 25 years from 25 February 2003.

### 15. Commitments

#### *Capital commitments*

At 31 March 2005 and 2004 the charitable company had no capital commitments.

### 16. Revaluation reserve

	2005 £
Balance brought forward	27,356
Revaluation of investments	33,316
	<u>£60,672</u>

All amounts relate to revaluation of fixed asset investments.

## SOCIETY OF ST JAMES

### Notes to the financial statements at 31 March 2005 (*continued*)

17. Designated reserves	2005 £
<i>Major repairs reserve:</i>	
Balance brought forward	71,440
Transfer from income and expenditure account	142,764
Utilised during the year	(43,806)
Balance carried forward	£170,398
<i>Legal costs reserve:</i>	
Transfer from income and expenditure account	10,000
Balance carried forward	£10,000
<i>Cyclical maintenance reserve:</i>	
Balance brought forward	9,309
Transfer from income and expenditure account	12,174
Utilised during the year	(5,673)
Balance carried forward	£15,810
<i>Donation reserve:</i>	
Balance brought forward	18,000
Transfer from income and expenditure account	11,976
Utilised during the year	(22,150)
Balance carried forward	£7,826
Total designated reserves	£204,034
Total net transfer from income and expenditure account	£105,285

The major repairs reserve represents amounts identified by the Board of Trustees as required for future repairs of the Society's freehold property in accordance with a 30 year expenditure plan.

The legal costs reserve represents amounts identified as potential legal costs payable following the introduction of Anti-Social Behaviour Order legislation.

The cyclical maintenance fund represents amounts identified by the trustees towards future short term maintenance work on the Society's properties.

The donations fund represents amounts identified by the trustees as being donated for use towards the fulfilment of the Society's charitable objectives. Amounts are usually designated for specific projects.

# SOCIETY OF ST JAMES

## Notes to the financial statements at 31 March 2005 (*continued*)

18. Restricted reserves	2005 £
<i>Property development reserve:</i>	
Balance brought forward and carried forward	£91,670
<i>Heavy drinkers hostel reserve:</i>	
Balance brought forward	8,216
Transferred to other public grants received (note 9)	(8,216)
Balance carried forward	£-
<i>Rent guarantee scheme reserve:</i>	
Balance brought forward and carried forward	£2,872
<i>Cobden Avenue capital reserve:</i>	
Balance brought forward and carried forward	£174,500
<i>Land purchase reserve:</i>	
Balance brought forward and carried forward	£10,000
<i>Albert Road South reserve</i>	
Transfer from income and expenditure account	2,400
Balance carried forward	£2,400
Total restricted reserves	£281,442
Total net transfer to income and expenditure account	£2,400

The property development reserve represents amounts received towards the purchase of the Gordon Avenue property. This property provides self-contained units of accommodation for long-term tenants.

The rent guarantee scheme reserve represents amounts received from the J Paul Getty Jr. Charitable Trust for the establishment of a rent guarantee scheme. The aim of the scheme is to assist people to move from hostel beds into permanent accommodation with private landlords, thereby releasing beds in hostels for people who would otherwise be sleeping rough.

The heavy drinkers hostel reserve represents funds donated towards the setting up of an additional project for heavy drinkers. The Society received a grant from the SRB to acquire a site, and Hyde Housing Association has received a grant to renovate the building on the Society's behalf. As the scheme has now been opened, the reserve has been set against the cost of the property.

## **SOCIETY OF ST JAMES**

### **Notes to the financial statements at 31 March 2005 (*continued*)**

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#### **18. Restricted reserves (*continued*)**

The Cobden Avenue capital reserve represents donations received towards the purchase of a property currently managed by the Society of St James. The property houses residents with learning difficulties. The purchase was completed in May 2002.

The land purchase reserve represents a donation received towards the purchase of land in Howard Road.

The Albert Road South reserve represents an amount received to finance the conversion of a room previously used as an office into a bedroom. The work was undertaken after 31 March 2005.

In addition the Society received a number of donations and grants amounting to £2,000 (2004: £1,630) in respect of the day to day running costs of its hostel at Albert Road South in Southampton.

#### **19. Rent surplus fund**

No provision is considered to be necessary for payment of rent surplus fund (2004: £Nil).

#### **20. Assured tenancy**

The average weekly assured tenancy rent for the year was £63.06 (2004: £60.80). The increase from 2004 was 3.72%.

#### **21. Housing stock**

The housing stock of the charitable company comprised the following types of property.

	<b>2005</b>	<b>2004</b>
Supported units	<u>188</u>	<u>188</u>

#### **22. Legislative provisions**

The Society of St James is a company limited by guarantee and is registered with the Charity Commission and Housing Corporation.

#### **23. Payments to creditors**

The average number of days between receipt and payment of purchase invoices was 31.4 days (2004: 25.9 days).

## SOCIETY OF ST JAMES

### Notes to the financial statements at 31 March 2005 (*continued*)

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#### 24. Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	
	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within one year	14,270	-
In two to five years	43,145	49,415
After five years	84,101	84,101

#### 25. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension charge represents contributions payable by the company to the funds and amounted to £42,529 (2004: £34,371). No contributions were outstanding at either 31 March 2005 or 31 March 2004.

#### 26. Supporting People Grant

Supporting People income is used for the provision of Housing Related Support. The total grant received for the year ended 31 March 2005 was £1,463,633 (2004: £1,366,974).