

## **Society of St James**

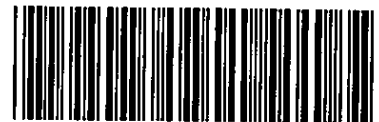
Report and Financial Statements

Year Ended

31 March 2011

Co No: 3009700

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# **Society of St James**

## **Annual report and financial statements for the year ended 31 March 2011**

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# Society of St James

## Reference and administrative information for the year ended 31 March 2011

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<b>Trustees and Directors</b>	B Hooper	(Chair)
	C Goodhead	(Treasurer, resigned 4 November 2010)
	T Rogerson	(Treasurer, appointed 4 November 2010)
	N Cato	
	D Blake	
	G Barwick	
	J Lovelock	
	J Maguire	
	G Ward	
	M Day	
	J Diaper	Co-opted from 1 <sup>st</sup> February 2011
<b>Company Secretary</b>	T Pickup	
<b>Senior Staff</b>	T Pickup	(Chief Executive)
	J Smith	(Operations Director)
	G Malcolm	(Operations Director)
	A Powell	(Director of Finance and Central Services)
	M Taylor	(Operations Director)
<b>Registered Office</b>	125 Albert Road South Southampton SO14 3FR	
<b>Registered Company Number</b>	3009700	
<b>Tenant Services Authority Registration Number:</b>	LH4337	
<b>Registered Charity Number</b>	1043664	
<b>Auditors</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL	
<b>Solicitors</b>	Blake Lapthorn New Kings Court Tollgate Chandler's Ford Hampshire SO53 3LG	
<b>Bankers</b>	NatWest 12 High Street Southampton SO14 2NX	

# **Society of St James**

## **Report of the Board of Trustees for the year ended 31 March 2011**

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### **Introduction**

The Board of Trustees presents its report and financial statements for the year ended 31 March 2011, which should be read in conjunction with the information on page 1. All Trustees are directors of the Charitable Company for the purposes of company law.

### **Structure, Governance and Management**

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

The Society is governed by the Board of Trustees, which meets every two months. The Board has created four Committees to take specific interest in the areas of Personnel, Finance, Operations and Development. These Committees meet regularly in the year. In line with good practice, the Society also convenes the Directors' Remuneration Committee each February to set the Senior Managers' salaries.

The Society seeks to recruit one or two new Board members each year. The recruitment and induction process includes a tour around some of the Society's projects and an introduction to the Society's work. Potential new Board members also attend a Board Meeting as observers before they formally agree to join the Board.

The senior staff report to the Board and the rest of the staff in turn report to the senior staff.

### **Objectives and Activities**

The Society adopted the following objectives at its 2005 AGM:

"The relief of poverty, sickness, hardship and distress in particular but not exclusively of persons who are homeless, unemployed or who have drug, alcohol or other substance addictions by the provision of housing, rehabilitation, care, support, education, training and employment opportunities in order to improve the individuals' opportunities and quality of life and to contribute to the wider community"

The Society seeks to achieve this through a range of activities, which can be broken down between the following headings:

- Housing
- Support
- Care
- Substance Misuse Services
- Social Enterprise

#### *Housing*

The Society provides a range of Housing to homeless people in Southampton, ranging from Hostels, through shared housing to one-bedroom flats and a registered residential care home. The Society currently manages 308 units (bed spaces) of which 99 are owned and 209 are either managed or leased.

For its owned property the Society fulfils a full range of property maintenance obligations, from day to day repairs to managing a 30 year Major Repairs programme. As a Registered Provider (Previously Registered Social Landlord, (RSL)) the Society offers tenancy or licence agreements, collects rents and generally fulfils the role of landlord.

For leased or managed projects, the Society fulfils some of the elements listed above, depending upon the form of agreement with the property owner. These often include maintenance obligations, offering tenancy and licence agreements, and the collection of rent.

# **Society of St James**

## **Report of the Board of Trustees for the year ended 31 March 2011**

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### **Objectives and Activities (continued)**

#### *Housing (continued)*

The Society's asset management plan identifies the ongoing need for greater levels of self contained accommodation, and it is hoped that more units of this type can be developed in the future

#### *Support*

The Society seeks to provide support beyond the services normally provided by a landlord to those living in its accommodation. This activity is funded through the Supporting People (SP) programme, under which the Society received £1.4 million during the year, enabling the employment of support staff in most residential projects. The support provided enables previously homeless people, people with mental health issues and people with substance misuse problems to maintain their housing and to develop skills to live independently in the community.

The introduction of the SP programme in 2003 brought huge changes to the sector, with all services now being provided under contractual arrangements and being subject to a wide range of inspection, regulation and monitoring. In addition, as existing contracts expire, services are put out to competitive tender, so that a range of organisations have the opportunity to bid to provide the service. These contractual arrangements are a crucial factor in forming a picture of the environment in which the Society operates.

The Society continues to work actively to provide services to the Local Authority, by participating in consultation exercises and contributing to the design of the new pattern of service provision, followed by the submission of tenders, leading (if successful) to being awarded contracts. Over the last 12 months, the Society has won 2 mental health contracts, the substance misuse support service (SMSS) contract and the residential alcohol service contract.

#### *Care*

The Society manages two schemes which provide Care, these being Avondale, a registered care home, and the Home Support service, a registered domiciliary care service. The Society purchased Avondale in November 2006. The home provides care for up to 16 people and is registered for older people.

The Society's long term aim is to provide an appropriate environment for older residents who could no longer stay in our existing projects because of their increasing care needs. Over the last year, Avondale has continued to provide care to increasing numbers of the Society's traditional clients, as well as accommodating other people with higher levels of needs. There is still a shortage of registered care homes which are geared up to deal with older people with alcohol and mental health issues.

The Society has been successful in obtaining several grants to improve and extend the facilities at Avondale and the building work has now been completed.

The Society has also continued to run the Home Support service, a registered domiciliary care service. The service works with about 40 - 50 clients, meeting their care needs and enabling them to maintain their accommodation in the community. Some are previous residents and others are referred by Social Services because they require an intensive or specific package of care.

#### *Substance Misuse Services*

The Society provides a number of non-residential services for people with substance misuse issues. In Southampton, these include the "Bridge" and Southampton Drug Intervention Programme (DIP) funded by the Southampton Drug Action Team (DAT), the SMSS team funded by Supporting People and in Hampshire the Drug and Alcohol Action Team (DAAT) fund the Hampshire Integrated Offender Management Service (HIOMS) teams, based in Basingstoke, Fareham and Eastleigh. These services work with over 250 people a week, providing a range of interventions to people with issues with alcohol and drugs. Each project is commissioned through competitive tendering and performance is carefully monitored by the commissioning department.

# **Society of St James**

## **Report of the Board of Trustees for the year ended 31 March 2011**

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### **Objectives and Activities (continued)**

#### *Substance Misuse Services (continued)*

In Southampton, there is also a very successful project engaging Service Users as Volunteers, who then make a huge contribution to the day to day running of the "Bridge" and the DIP. In addition, many have gone on to formal training and employment, both with the Society and with other local employers.

#### *Social Enterprise*

The Society manages Jamie's Computers which operates as a Social Enterprise. The aim of Jamie's is to generate income for the Society and to create training and learning opportunities for vulnerable adults in the city of Southampton. The last year has seen great progress being made at Jamie's, with increasing levels of income being generated through commercial activity. Over the next few months it is planned to appoint a new manager to continue to take the project forward.

### **Financial Review**

#### *Financial Position and Management Policies*

The year ended 31 March 2011 has been a successful year both financially and otherwise for the Society, which is shown by the reporting of an improved operating surplus of £165,930 (2010 – £106,142). The Society therefore remains in a sound financial position at 31 March 2011 after an eventful year, which saw the move of its Head Office to the former hostel at Albert Road South and win its largest ever single contract (HIOMS) - which began on 1<sup>st</sup> April 2011. The Society remains in a good cash position which has improved on the previous year's balance by £8,890. Additionally the growth in the value of its investments, alongside the distributions from its holding in the Charities Property Fund, has created additional resources to draw upon should the need arise. After various transfers to and from reserves, the Society finished the year with a retained surplus of £26,297 (2010 – surplus of £87,463).

The Head Office move required a significant capital investment to ensure the new property was fit for purpose as an office as opposed to its previous use as a hostel. In total to the end of the year £132,487 was spent on the property, including expenditure on the installation of solar panels, with some additional expenditure expected in 2011. Additional significant capital expenditure has been made at the care home in order to extend the accommodation to provide a commercial standard kitchen as well as improving the communal space for residents and providing an additional bedroom. Expenditure on major repairs items has also led to the bathrooms being renovated and all of the flat roofs being replaced. All of this expenditure made at the care home has been funded through significant donations from philanthropic trusts or through grant funding.

The Society has formal financial procedures in place that have been ratified by the Finance Committee and are widely known and followed by staff. The systems that are in use are of sufficient capability for their purpose, and procedures are in place to ensure the correct recording of financial information and control over cash transactions using these systems. Additionally, investment in IT systems has continued throughout the year in order to improve the flow of information around the organisation and retain control.

All expenditure has to be authorised by project staff and management with final payments approved by two people in the finance team, one of whom will be the Financial Accounts Manager or Director of Finance & Central Services. For items of major expenditure, quotes are requested to ensure the Society receives the best possible value for money. Cash is held in a variety of accounts and investments in order to both accrue interest and spread risks from areas such as investment return and fraud. Very few transactions are in cash, with payments to staff and suppliers made predominantly by bank transfer or, less frequently, by cheque. The Society follows a policy of ensuring that there is always sufficient cash in its accounts to ensure that relevant debts can be paid in full and on time.

# **Society of St James**

## **Report of the Board of Trustees (Continued) for the year ended 31 March 2011**

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### **Financial Review (continued)**

#### *Reserves*

It has been the policy for a number of years to build up free reserves to a level that can be shown to provide a level of security for current operations. Free reserves have decreased in the year to £239,684 at 31 March 2011 (2010 - £297,316), primarily because of the significant investment (£88,548) in property assets during the year. If the impact of the investment in property is ignored then free reserves would have increased. It is anticipated that free reserves will increase again in future years.

The Society had £1,534,134 of total reserves at 31 March 2011 (2010 £1,354,841), of which £758,478 (49%) (2010 - £732,181, 54%) was made up of the income and expenditure account reserve. There has been a small increase in the level of the revaluation reserve (that which holds the difference in value between the purchase price and current price of the Society's investments) which was £67,598 at 31 March 2011 (2010 - £53,098) due to the increase in values of the investments due to the rise in stock market levels in the year. The Society has also benefited from the distributions from its investment in the Charities Property Fund which it invested in last year in preference to the Charibond investments, as well as adding to with a further £15,000 investment during the year.

Other reserves are either designated or restricted reserves. The designated reserves are those that the Society has chosen to take out of the income and expenditure account and record separately for some specific purpose. The majority of these reserves are represented by the major repairs reserve, which the Society maintains in order to assist it to comply with the requirements of the Tenant Services Authority, the body which regulates the Society's activities. Restricted reserves are those that the Society has to record separately and represent money that has been received from supporters or partners that they have stipulated must be used for a specific purpose. If this money is not spent in the year in which it is received, the balance must be held in a restricted reserve. The amount held in restricted reserves falls as the money is spent.

There have been significant transfers into both of these reserves during the year as £93,505 was received from the Social Enterprise Investment Fund (SEIF) and limited major repairs have been required across the majority of the Society's property. The receipt from the SEIF was to fund major works at the Society's care home with a programme of improvements to the existing property and an extension to the property that was almost complete at the end of May 2011.

#### *Sources of Funding and Investments*

The percentage of the Society's income that it receives in the form of Supporting People grants has fallen during the year to around 26% of total income, indicating that whilst the Society remains reliant on these grants it can manage a significant drop in grant levels and still be successful. This fall is due to a number of services being put out for tender during the year and the resulting services that the Society is now running having a lower contract value overall. Additionally the Society is facing agreed cuts to existing grants in the coming year as well as having another range of contracts coming to their end and being put out for tender once again. These grants are administered by the Local Authority and are specifically allocated to organisations that provide housing and tenancy related support to individuals who have been assessed as having additional support needs. The largest source of income for the Society remains rental and service charge income from the properties it owns or manages. This has decreased from 46% of total income in 2010 to 44% of total income in the year to 31 March 2011, as actual income in this area has fallen slightly, and is usually collected directly from the Local Authority in the form of Housing Benefit payments.

The year ending 31 March 2011 has seen an increase in funding of £119,842 for the Drugs Support Services. Income in this area is received from Southampton City and Hampshire County Councils, and has increased due to the additional 'bolt on' services being provided on top of the Society's main contracts with the funding for the existing services remaining the same. Income in this area is anticipated to increase dramatically in the coming year due to the new HIOMS contract the Society is now providing that has an annual income of £850,000.

# **Society of St James**

## **Report of the Board of Trustees (Continued) for the year ended 31 March 2011**

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### **Financial Review (continued)**

#### *Sources of Funding and Investments (continued)*

Other key funding sources include the Health Authority, Social Services Department, and donations. The Society also continues to develop Social Enterprises around IT training and the recycling and reuse of IT equipment which provides additional income to the Society and has had its most successful year to date in terms of generating 'earned income'.

The Society's income has been expended in the process of helping vulnerable people in the local area, whether this be through direct housing and support services or through providing counselling and advice or learning and training opportunities. The Society has also continued to provide work placements at its Social Enterprises in order to help vulnerable individuals gain the confidence and skills to return to work.

The Society has a policy of diversifying its investments in order to spread risk and to maintain suitable cash balances for the day to day running of its operations. However, only minimal levels of cash are kept in current accounts with larger receipts being transferred into higher interest accounts with instant access facilities. With regard to the investments listed in the accounts, the Society has chosen particular investment funds that are specifically designed for charities with the aim of spreading risk and investing in a largely ethical manner. The specific funds that the Society held investments in at the start of the year were Charifund, the Charities Property Fund and Chariguard. Charifund and Chariguard are equity based investments managed by M&G Securities and RCM (UK) Ltd respectively. The Charities Property fund is a property based investment aimed at both capital growth in the value of properties owned by the fund and income in the form of rents charged to tenants in these properties, the fund is managed by Cordea Savills. All of these funds have increased in value during the year, in line with most other stock market investments, and it is anticipated that they will increase in value in the future making them worthwhile investments to retain.

#### **Plans for the future**

By the nature of the work in which the Society is involved, the economic and political climate has a big impact on plans for the future. The last 12 months have seen some cuts to our revenue, but we are advised that there is worse to come, with the full impact of the government spending cuts still to be felt.

In addition, there are various projects facing changes to funding or ending of contracts, each of which will have an impact on the Society as a whole. These are described below.

#### *Housing*

The Society, as a small Housing Association, will continue to provide housing for just over 300 people. The property at our disposal is a mixture of owned, leased and managed under a management agreement. Several of these properties are on leases which are due to expire over the coming 12 months. Negotiations will proceed with landlords to agree the future for these schemes.

There will also be changes to the Support contracts which will impact on the need for various types of accommodation. This will also need to be negotiated over the next year, with changes expected to take effect at the end of the financial year.

#### *Support*

The Society has won a number of contracts over the last 12 months, securing our role as a major provider of housing related support to people in Southampton. The projects working in the fields of substance misuse and mental health are therefore relatively secure for the coming few years.

A review of Homeless Services in the city has almost been completed. Over the next few months, details will be confirmed concerning the plans for the various homelessness services in the city, of which the Society is one of the main providers. The outcome of this round of tendering which will have a big impact on the Society, is currently scheduled to take place at the end of February 2012.



# **Society of St James**

## **Report of the Board of Trustees (*Continued*) for the year ended 31 March 2011**

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### **Plans for the future (continued)**

#### *Substance Misuse Services*

The Society has recently been awarded the Hampshire IOMS contract and the priority for the year is to establish this service as an effective and efficient team working across the county

In Southampton, the Society's work is expected to be secure over the coming year, with reviews to services expected in 2011-2012, to be followed by tendering. Again, it must be anticipated that there will be significant budgetary pressure on these services when they are re-tendered. In anticipation of this, services will be moving in June 2011 to smaller and cheaper premises, to enable sharing of facilities with the local NHS services

#### *Social Enterprise*

Jamie's Computers is in a better position than this time last year, with a new emphasis on a commercial approach to the project. The sale of computers and laptops to local people, working with Computer Aid to send equipment to educational projects in the developing world and achieving better prices for the un-useable scrap have all continued to be the key areas of activity. The project is becoming more widely known and the number of customers using the service for the removal of their old IT is growing, ensuring a good supply of materials for the project

Income generation from these activities has improved significantly over the last twelve months and there remain opportunities for further growth

# Society of St James

## Report of the Board of Trustees (*Continued*) for the year ended 31 March 2011

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### Statement of the Board of Trustees' responsibilities

The Board Members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations

Company law and social housing legislation require the board members to prepare financial statements for each financial year. Under that law the Board Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 society and of the surplus or deficit of the society for that period.

In preparing these financial statements, the board members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice Accounting by registered social landlords (2008) have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing Act 1996 (to 31 March 2011), the Housing and Regeneration Act (from 1 April 2011) and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice Accounting by Registered Social Landlords (2008).

Financial statements are published on the society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the society's website is the responsibility of the Board Members. The Board Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Auditors

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

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

This report was approved by the Board of Trustees on 26th July 2011  
and is signed on its behalf by



**B Hooper**, Trustee

# **Society of St James**

## **Report of the independent auditors for the year ended 31 March 2011**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIETY OF ST JAMES**

We have audited the financial statements of Society of St James for the year ended 31 March 2011 which comprise the income and expenditure account, the balance sheet, the statement of total recognised surpluses and deficits and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with the Housing and Regeneration Act and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### ***Respective responsibilities of the board and auditors***

As explained more fully in the statement of board member responsibilities, the board members 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 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 (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### ***Opinion on financial statements***

In our opinion the financial statements

- give a true and fair view of the state of the society's affairs as at 31 March 2011 and of its surplus 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, the Housing and Regeneration Act and the Accounting Requirements for Registered Social Landlords General Determination 2006.

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

In our opinion the information given in the Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Society of St James

### Report of the independent auditors (*Continued*) for the year ended 31 March 2011

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

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

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



Timothy Bentall, FCA (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Southampton  
United Kingdom  
Date 1 August 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# Society of St James

## Income and expenditure account for the year ended 31 March 2011

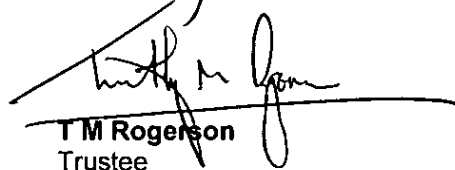
	Notes	2011 £	2010 £
<b>Turnover</b>	<b>3</b>	5,442,454	5,442,292
Operating costs	<b>3</b>	5,276,524	5,336,150
<b>Operating surplus</b>	<b>2,3</b>	165,930	106,142
Profit on sale of investments		-	1,770
Interest receivable	<b>6</b>	9,420	4,272
Interest payable	<b>7</b>	(10,557)	(13,571)
<b>Surplus on ordinary activities before taxation</b>		164,793	98,613
Tax on surplus on ordinary activities	<b>8</b>	-	-
<b>Surplus for the year</b>	<b>20</b>	164,793	98,613

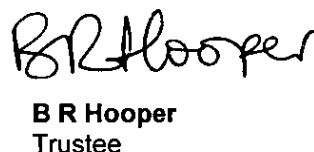
The following information does not form part of the income and expenditure account but is shown here as in the opinion of the Trustees doing so improves the clarity of the financial statements

Transfers from revaluation reserve	<b>17</b>	-	3,313
Transfers to designated reserves	<b>18</b>	(43,484)	(68,012)
Transfers to restricted reserves	<b>19</b>	(95,012)	53,549
<b>Retained surplus for the financial year</b>		26,297	87,463

All the activities of the charitable company are classed as continuing

The financial statements on pages 11 to 24 were approved and authorised for issue by the Board of Trustees on 26th July 2011 and are signed on its behalf by

  
T M Rogerson  
Trustee

  
B R Hooper  
Trustee

## Statement of total recognised surpluses and deficits for the year ended 31 March 2011

	Notes	2011 £	2010 £
Surplus for the year		164,793	98,613
Unrealised surplus on investments	<b>17</b>	14,500	51,829
<b>Total recognised surpluses for the year</b>		179,293	150,442

The notes on pages 13 to 25 form part of these financial statements

# Society of St James

Balance sheet  
at 31 March 2011

Co No: 3009700

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Housing properties at cost less depreciation	9	3,595,370	3,432,906
Less Social Housing Grants	9	(1,873,604)	(1,873,604)
Less Other Grants	9	(397,466)	(351,566)
Net book value of housing properties		1,324,300	1,207,736
Intangible assets	10	104,000	110,500
Other fixed assets	11	62,782	84,298
		1,491,082	1,402,534
Investments	12	215,292	185,792
		1,706,374	1,588,326
<b>Current assets</b>			
Debtors	13	530,774	460,518
Cash at bank and in hand		361,636	352,746
		892,410	813,264
<b>Creditors amounts falling due within one year</b>	14	(453,868)	(410,142)
<b>Net current assets</b>		438,542	403,122
<b>Total assets less current liabilities</b>		2,144,916	1,991,448
<b>Creditors: amounts falling due after more than one year</b>	15	610,782	636,607
<b>Capital and reserves</b>			
Revaluation reserve	17	67,598	53,098
Designated reserves	18	332,689	289,205
Restricted reserves	19	375,369	280,357
Revenue reserves	20	758,478	732,181
		1,534,134	1,354,841
		2,144,916	1,991,448

The financial statements on pages 11 to 25 were approved and authorised for issue by the Board of Trustees on 26th July 2011 and are signed on its behalf by -

  
T M Rogerson  
Trustee

  
B R Hooper  
Trustee

The notes on pages 13 to 25 form part of these financial statements

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011

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### 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 (Updated 2008)" and comply with the Accounting Requirements for Registered Social Landlords General Determination 2006. 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 receivable together with revenue grants and donations

c) *Goodwill*

Positive goodwill arising from the purchase in November 2006 of Avondale Residential Care Home (representing the excess of the purchase price of the business over the valuation of the assets acquired) has been capitalised and, subject to impairment reviews as required, will be amortised by equal charges to the income and expenditure account, over the period from which economic benefit is derived, and not exceeding 20 years

d) *Freehold housing property*

Freehold housing properties are stated at cost less any capital grants received in respect of the property. Cost includes the cost of acquiring land and buildings, development costs, and expenditure incurred in respect of improvements. Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Other repair work is charged to the income and expenditure account.

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. 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 2008)" and with the overriding requirement of the General Determination 2006 and the Companies Act 2006 for accounts to be produced so as to give a true and fair view.

e) *Leasehold housing property*

Leasehold housing property is accounted for as Freehold housing property other than depreciation which is charged over the life of the lease, or 50 years, whichever is the lower.

f) *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, or where the expenditure forms part of the overall setup costs of a new project (including professional fees). The cost of other items is written off as incurred. Depreciation is provided on these tangible fixed assets at rates calculated to write off cost over their expected useful lives, using the straight line method at a rate of between 25% to 50% per annum. Leasehold improvements are written off over the life of the relevant lease.

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011

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### 1 Accounting policies (continued)

- g) *Social Housing Grant and other Public Grants*  
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
- h) *Investments*  
Investments are valued at current market value
- i) *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
- j) *Pension costs*  
Payments made to defined contribution pension schemes are charged to the income and expenditure account in the period in which they are paid
- k) *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.
- l) *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 with 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.
- m) *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.
- n) *Cash flow statement*  
The Society is exempt under the provisions of FRS 1 (revised) from preparing a cash flow statement.
- o) *Supporting people*  
Income received under the Supporting People programme is recognised in the period to which it relates. Expenditure is recognised on the accruals basis.
- p) *Value added tax*  
The Society is not VAT registered and so is unable to recover any VAT. All VAT incurred is included within the category of expenditure to which it relates.



# Society of St James

Notes forming part of the financial statements  
for the year ended 31 March 2011 (*Continued*)

## 2 Operating surplus

	2011 £	2010 £
<i>Operating surplus is stated after charging</i>		
Depreciation - housing properties	19,574	19,575
- other fixed assets	43,879	74,229
Amortisation of goodwill	6,500	6,500
Auditors' remuneration - as auditors (including VAT and expenses)	8,706	11,091
- other	-	1,685
Operating lease costs - land and buildings	538,165	531,903
	<u>          </u>	<u>          </u>

## 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

### 3a Particulars of turnover, operating costs and operating surplus

	Turnover £	Operating costs £	2011 Operating surplus/ (deficit) £	2010 Operating surplus/ (deficit) £
<i>Social housing lettings (Note 3b)</i>	3,701,904	3,710,477	(8,573)	29,847
<i>Other social housing activities</i>				
Home support	180,105	162,726	17,379	10,755
Older Persons support service	-	-	-	9,595
Handyperson service	62,012	36,971	25,041	9,339
Drugs related support services	1,258,604	1,092,923	165,681	63,949
	<u>1,500,721</u>	<u>1,092,923</u>	<u>208,101</u>	<u>93,638</u>
Total social housing activities	5,202,625	5,003,097	199,528	123,485
<i>Other non-social housing activities</i>				
Jamie's Computer Club	239,829	273,427	(33,598)	(17,343)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total activities	5,442,454	5,276,524	165,930	106,142
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# Society of St James

Notes forming part of the financial statements  
for the year ended 31 March 2011 (*Continued*)

## 3 Turnover (continued)

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

	Supported housing £	Care home £	2011 Total £	2010 Total £
<i>Income from lettings</i>				
Rent receivable net of identifiable service charges and voids	929,502	316,418	1,245,920	1,170,106
Service charges receivable	1,036,768	-	1,036,768	1,121,788
	<hr/>	<hr/>	<hr/>	<hr/>
Net rents receivable	1,966,270	316,418	2,282,688	2,291,894
	<hr/>	<hr/>	<hr/>	<hr/>
Supporting People Grant	1,185,502	-	1,185,502	1,410,759
Other revenue grants and donations	139,351	94,363	233,714	80,603
	<hr/>	<hr/>	<hr/>	<hr/>
	1,324,853	94,363	1,419,216	1,491,362
	<hr/>	<hr/>	<hr/>	<hr/>
Turnover from social housing lettings	3,291,123	410,781	3,701,904	3,783,256
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Expenditure on letting activities</i>				
Management	249,078	-	249,078	252,317
Services	2,213,832	394,577	2,608,409	2,656,167
Routine maintenance	80,160	11,611	91,771	131,736
Planned maintenance	23,310	8,862	32,172	24,771
Major repairs expenditure	28,262	61,419	89,681	73,965
Rent losses from bad debts	54,076	-	54,076	69,092
Property lease charges	451,366	-	451,366	446,662
Depreciation of housing properties	14,298	5,276	19,574	19,577
Other costs	113,991	359	114,350	79,122
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating costs on social housing lettings	3,228,373	482,104	3,710,477	3,753,409
	<hr/>	<hr/>	<hr/>	<hr/>
Operating surplus/(deficit) on social housing lettings	62,750	(71,323)	(8,573)	29,847
	<hr/>	<hr/>	<hr/>	<hr/>
Rent losses from voids	117,068	21,982	139,050	199,565
	<hr/>	<hr/>	<hr/>	<hr/>

## 4 Staff costs

	2011 £	2010 £
Wages and salaries	3,006,226	3,044,921
Social security costs	264,304	266,121
Other pension costs	55,237	56,670
	<hr/>	<hr/>
	3,325,767	3,367,712
	<hr/>	<hr/>

# Society of St James

Notes forming part of the financial statements  
for the year ended 31 March 2011 *(Continued)*

## 4 Staff costs (continued)

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

	2011 Number	2010 Number
Housing and support	77	82
Substance misuse	31	31
Social enterprise	5	6
Finance	5	5
Administration	8	8
	<u>126</u>	<u>132</u>

## 5 Chief Executive's and Senior Management Team's emoluments

	2011 £	2010 £
The aggregate emoluments of the Chief Executive and Senior Management Team in respect of qualifying services were		
Wages and salaries	228,074	240,059
Company contributions to money purchase pension schemes	19,926	16,283
	<u>248,000</u>	<u>256,342</u>
The Chief Executive is the highest paid member of the Senior Management Team		
Emoluments	56,685	56,144
Value of company pension contributions to money purchase schemes	5,102	5,051
	<u>61,787</u>	<u>61,195</u>

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

All company pension scheme contributions are made to a pension scheme operated on the Society's behalf by the Pension Trust

## 6 Interest receivable and similar income

	2011 £	2010 £
Interest receivable	<u>9,420</u>	<u>4,272</u>

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

### 7 Interest payable

	2011 £	2010 £
Mortgage interest	10,557	13,571

### 8 Tax on surplus on ordinary activities

Society of St James is a registered charity and, as such, is exempt from liability to taxation on income and capital gains derived from its charitable activities

### 9 Housing property

	Leasehold land and property £	Freehold land and property £	Total £
<i>Cost</i>			
At 1 April 2010	1,126,786	2,439,669	3,566,455
Additions	132,487	49,550	182,037
At 31 March 2011	1,259,273	2,489,219	3,748,492
<i>Other public grants received</i>			
At 1 April 2010	-	(351,566)	(351,566)
Additions	-	(45,900)	(45,900)
At 31 March 2011	-	(397,466)	(397,466)
<i>Social Housing Grant (SHG) received</i>			
At 1 April 2010 and 31 March 2011	(946,045)	(927,559)	(1,873,604)
<i>Depreciation</i>			
At 1 April 2010	21,294	112,254	133,548
Charge for the year	3,042	16,532	19,574
At 31 March 2011	24,336	128,786	153,122
<i>Net book value</i>			
At 31 March 2011	288,892	1,035,408	1,324,300
At 31 March 2010	159,447	1,048,290	1,207,737

Included in freehold land and property is freehold land amounting to £491,807 (2010 £491,807), which is not depreciated. Included in leasehold land and property is leasehold land amounting to £68,713 (2010 £68,713), which is not depreciated. No SHG was receivable at the year end.

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

<b>10 Intangible assets</b>					<b>Goodwill £</b>
Cost at 1 April 2010 and 31 March 2011					130,000
<i>Depreciation</i>					<hr/>
At 1 April 2010					19,500
Charge for the year					6,500
					<hr/>
At 31 March 2011					26,000
					<hr/>
<i>Net Book Value</i>					<hr/>
At 31 March 2011					104,000
					<hr/>
At 31 March 2010					110,500
					<hr/>
<b>11 Other fixed assets</b>					
	<b>Leasehold improvements £</b>	<b>Motor vehicles £</b>	<b>Office equipment £</b>	<b>Housing equipment £</b>	<b>Total £</b>
<i>Cost</i>					
At 1 April 2010	98,560	23,765	157,304	70,752	350,381
Additions	-	6,000	5,560	11,018	22,578
Disposals	-	(4,205)	(12,169)	-	(16,374)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	98,560	25,560	150,695	81,770	356,585
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 April 2010	93,645	20,135	109,810	42,493	266,083
Charge for the year	4,915	1,555	20,822	16,587	43,879
Disposals	-	(4,205)	(11,954)	-	(16,159)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	98,560	17,485	118,678	59,080	293,803
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 March 2011	-	8,075	32,017	22,690	62,782
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	4,915	3,630	47,494	28,259	84,298
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

12 Investments	2011 £	2010 £
<i>Cost or valuation</i>		
Valuation at 1 April 2010	185,792	119,905
Additions	15,000	29,999
Disposals	-	(17,712)
Unrealised gain in year	14,500	51,829
Realised gain in year	-	1,771
	<hr/>	<hr/>
Valuation at 31 March 2011	215,292	185,792
	<hr/>	<hr/>
Historic cost	147,694	132,694
	<hr/>	<hr/>

All fixed asset investments are listed and are stated at market value

13 Debtors	2011 £	2010 £
Trade debtors	427,326	334,429
Other debtors	604	11,948
Prepayments and accrued income	102,844	114,141
	<hr/>	<hr/>
	530,774	460,518
	<hr/>	<hr/>

Trade debtors include rent arrears of £135,126 (2010 £130,745) net of provisions for bad and doubtful debts of £161,597 (2010 £184,368)

All amounts shown under debtors fall due for payment within one year

14 Creditors: Amounts falling due within one year	2011 £	2010 £
Secured mortgage	26,157	26,418
Trade creditors	237,578	195,841
Grants in advance	43,281	44,917
Taxation and social security	78,641	73,246
Other creditors	33,412	23,930
Accruals and deferred income	34,799	45,790
	<hr/>	<hr/>
	453,868	410,142
	<hr/>	<hr/>

# Society of St James

Notes forming part of the financial statements  
for the year ended 31 March 2011 (*Continued*)

## 15 Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Secured mortgages	610,782	636,607

In 2003 and 2006, the Society obtained mortgages of £400,000 and £350,000 respectively, both of which are repayable at a variable rate of interest equal to the 6 month LIBOR rate +0.65%. The mortgages are secured by a fixed charge over four of the Society's properties. The mortgages are repayable as follows

	2011 £	2010 £
In less than one year	26,157	26,418
In more than one year but less than two years	26,626	26,814
In more than two years but less than five years	82,777	82,952
In more than five years	501,379	526,841
	<u>636,939</u>	<u>663,025</u>

The mortgage of £400,000 is repayable over 25 years from 25 February 2003

The mortgage of £350,000 is repayable over 30 years from 13 November 2006

## 16 Commitments

### *Capital commitments*

At 31 March 2011 and 2010 the charitable company had no capital commitments

## 17 Revaluation reserve

	2011 £
Balance brought forward	53,098
Revaluation of investments – unrealised gain	14,500
	<u>67,598</u>

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

### 18 Designated reserves

	2011 £
<i>Major repairs reserve</i>	
Balance brought forward	233,655
Transfer from income and expenditure account	112,440
Transfer to income and expenditure account – utilised in year	(33,406)
	<hr/>
Balance carried forward	312,689
	<hr/>
<i>Legal costs reserve</i>	
Balance brought forward and carried forward	20,000
	<hr/>
<i>Hardship Fund reserve</i>	
Balance brought forward	35,550
Transfer to income and expenditure account – utilised in year	(35,550)
	<hr/>
Balance carried forward	-
	<hr/>
Total designated reserves carried forward	332,689
	<hr/>
Total net transfer from income and expenditure account	43,484
	<hr/>

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 Hardship Fund reserve represents money received from the Communities Development Fund to provide financial support for Jamie's Computers. The money is restricted for use for costs at Jamie's Computers but there is no restriction regarding the length of time the money is spread over. The Board have decided to allocate the receipt across the year represented in the application and have therefore designated this fund into a reserve



# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

### 19 Restricted reserves

	Balance at 1 April 2010	Transfer from Income and Expenditure Account	Transfer to Income and Expenditure Account	Balance at 31 March 2011
	£	£	£	£
Property development reserve	75,942	-	(1,656)	74,286
Heavy drinkers hostel reserve	8,216	-	-	8,216
Cobden Avenue capital reserve	157,389	-	(2,139)	155,250
Land purchase reserve	10,000	-	-	10,000
Avondale redevelopment reserve	-	82,605	(62,605)	20,000
Broadband into Houses appeal	1,693	-	(1,693)	-
Cobden Avenue appeal	8,000	-	-	8,000
Southampton DIP Capital	3,461	-	(1,538)	1,923
Hampshire DAAT Capital	5,800	-	(5,800)	-
Bellevue Reserve	5,156	-	(5,156)	-
Rent Deposit Reserve	4,700	-	(3,999)	701
HIOMS capital Reserve	-	22,620	-	22,620
Jamie's Reserve	-	3,500	-	3,500
Bellevue Lifeskills Reserve	-	26,500	(19,092)	7,408
S/Term Mental Health Personalisation Reserve	-	30,000	(564)	29,436
L/Term Mental Health Personalisation Reserve	-	16,500	(352)	16,148
SMSS Personalisation Reserve	-	22,000	(4,119)	17,881
Restricted reserves summary	280,357	203,725	(108,713)	375,369

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 transfer to the income and expenditure account represents a depreciation of this reserve on the same basis as the freehold property to which it relates. Some of this reserve is funding the purchase of land and is therefore not depreciated.

The heavy drinkers hostel reserve represents funds donated towards the setting up of an additional project for heavy drinkers. This is being maintained as a restricted reserve until the main grant ceases to become repayable in 2013, at which point the grant and fund will be amalgamated.

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 transfer to the income and expenditure account represents a depreciation of this reserve on the same basis as the freehold property to which it relates. Some of this reserve is funding the purchase of land and is therefore not depreciated.

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

The Avondale redevelopment reserve represents amounts donated to the Society during the year to put towards the redevelopment of the care home. Monies received from the Charles Hayward Foundation (£15,000) and the Social Enterprise Investment Fund (£93,505 - £45,900 transferred directly to Other Grants = £47,605) were spent in the year, the balance of £20,000 received from the Garfield Weston Foundation remained unspent at 31 March 2011.

The Broadband into Houses appeal represents funds donated specifically for setting up Broadband connections, and associated hardware and software, for the residents in the Society's properties. New equipment has been installed but the funds will remain in restricted reserves until fully expended.

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

### 19 Restricted reserves (continued)

The Cobden Avenue appeal represents funds donated specifically for works to be undertaken at this property. The funds will remain in restricted reserves until fully expended.

The Southampton DIP capital reserve represents amounts received on the disposal of a car. Southampton City Council stipulated that the funds should only be used for the purchase and implementation of Specialist Software for the Southampton DIP, this process is ongoing. An additional sum was provided to the reserve by Southampton DAT in 08/09 for further capital works which has now been fully expended.

The Hampshire DAAT Capital reserve represents amounts paid to the Society by Hampshire DAAT to undertake capital works at the new premises from which the Hampshire DAAT drugs and alcohol support service will be based. The transfer to the Income and Expenditure account represents a depreciation of this reserve on the same basis as the depreciation of the capital works. The reserve is now fully expended.

The Bellevue reserve represents monies received from the Garfield Weston Foundation specifically for works which have now been completed at 5 Bellevue Road.

The Rent Deposit reserve represents monies received from Southampton City Council to pay for a rent deposit scheme to help move residents on into private accommodation, a small balance remains.

The HIOMS capital reserve represents monies received from Hampshire Probation to pay for capital work to new offices leased for the purpose of running this new contract that commenced on 1<sup>st</sup> April 2011.

The Jamie's reserve represents capital monies received from the NHS for the deposit to purchase a new forklift truck. The forklift truck was purchased in March 2011, this reserve will be used, alongside additional monies received in April 2011, to match the depreciation of the vehicle in future periods.

The Bellevue Lifeskills reserve represents monies received from the Henry Smith charity to pay for a Lifeskills worker for 1 year from June 2010, the balance carried forward covers costs to June 2011.

The Short Term Mental Health Personalisation Reserve represents monies received from Southampton SP for 'Personalisation' funding for clients in the 'Mental Health North' support service.

The Long Term Mental Health Personalisation Reserve represents monies received from Southampton SP for 'Personalisation' funding for clients in the 'Long Term Mental Health' support service.

The SMSS Personalisation Reserve represents monies received from Southampton SP for 'Personalisation' funding for clients in the 'SMSS' support service.

### 20 Revenue reserves

2011  
£

Balance brought forward	732,181
Surplus for the year	164,793
Transfer to designated reserves (note 18)	(43,484)
Transfer to restricted reserves (note 19)	(95,012)
	<hr/>
Balance carried forward	758,478

### 21 Assured tenancy

The average weekly assured tenancy rent for the year was £117.29 (2010: £121.52). The decrease from 2011 was 3.48%. Core rents have increased in line with rent restructuring rules, service charges were reduced in line with expenditure in this area.

# Society of St James

## Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

### 22 Housing stock

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

	2011	2010
Leased supported units	209	209
Owned supported units	99	119
	<u>          </u>	<u>          </u>

### 23 Legislative provisions

Society of St James is a company limited by guarantee and is registered with the Charity Commission and Tenant Services Authority

### 24 Commitments under operating leases

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

	Land and buildings 2011	2010
	£	£
Operating leases which expire		
Within one year	139,700	140,223
In two to five years	167,993	313,720
After five years	109,296	86,361
	<u>          </u>	<u>          </u>

### 25 Pension Scheme

Society of St James participates in a variety of pensions schemes administered by the Pensions Trust. For all schemes, the Society paid contributions at the rate of 9% of salary during the accounting period. Members paid contributions at the rate of 5% of salary during the accounting period. All schemes, apart from the Growth Plan, are defined contribution, as opposed to defined benefit, schemes. The Growth Plan is funded, is not contracted out of the state scheme, and is a multi-employer pension plan. The scheme's Actuaries have advised that it is not possible to identify the share of the underlying assets and liabilities of the plan belonging to individual participating employers.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts from Normal Retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The last formal valuation of the scheme was performed at 30 September 2008 which identified a total shortfall across all of the participating employers of £28.6 million on the Technical Provisions basis. The next full valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up. The Board considers the likelihood of such an event occurring to be remote.

### 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 2011 was £1,438,441 (2010: £1,644,450).