

Company registration  
Charity registration number

ACCOUNTS No 4  
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GOLDEN LANE HOUSING

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**GOLDEN LANE HOUSING LIMITED**

(A company limited by guarantee)

**Report and Financial Statements**

**Year ended 31 March 2009**

**GOLDEN LANE HOUSING LTD  
REPORT AND FINANCIAL STATEMENTS 2009**

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## 1 - Structure, Governance and Management

### Governing document

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

### Appointment of Trustees

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

### Trustee induction and training

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

### Organisation

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

### Related parties

Golden Lane Housing has a close working relationship with Royal Mencap Society, who as sole member of the charity, nominate the trustees of the charity. Royal Mencap Society has also provided a loan facility to Golden Lane Housing up to a maximum amount of £7.65 million to purchase properties which are then rented to people with learning disabilities but there is no plan for any further loans.

Golden Lane Housing has also been successful in attracting a number of other investors, through both investment in particular properties (currently £4.0m) and a public bond offering ( £1.8m). Whilst neither the shared property investors nor bondholders are members of the charity, the board of trustees recognise the vital role their investment has played in furthering the objects of the charity.

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

*"Although GLH is in company law a subsidiary of Mencap it does have different charitable objects (see paragraph 1) and, in any event, in charity law the duty of the trustees are to act in the best interests of the charity's beneficiaries and to always act in accordance with the charity's objects".*

## Related Parties (continued)

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

**Risk Management**

The trustees have a risk management strategy which comprises an annual review of the risk register as well as the establishment and approval of action plans to mitigate the risks highlighted on the risk register.

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

- Staffing
- Reputation
- New Housing Benefit legislation
- Pressure on margins
- Lack of set up capital
- Maintenance liabilities

As reported last year GLH were supporting a small number of its tenants with Housing benefit appeals. The tenants affected were unsuccessful in their appeals and as a result had their rents restricted. As a result of this decision GLH are currently supporting 57 tenants who have had their rents restricted by 10 local authorities. Whilst the work involved in supporting these tenants is extensive both trustees and officers are confident that we are actively managing both the financial risk to GLH and the security of tenure risk for the tenants.

Whilst we continue to monitor closely the reduction in house prices across the UK, and the affect this has on the value of the current portfolio, it is felt that as as GLH's portfolio is valued on a historic basis and that GLH is looking to hold the portfolio over the cycle that we remain in a relatively strong position. We have also seen a substantial "one-off" benefit to GLH through continuing low interest rates.

The trustees remain satisfied that the major risks, to which the charity is exposed, are understood and documented and that appropriate action plans are in place to mitigate these risks.

**2- Objectives and activities**

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to guidance in respect of public benefit published by the Charities Commission.

The trustees are satisfied that all the objectives and activities outlined below are undertaken for public benefit

### Objectives

The objects of the charity are reasonably wide ranging in respect of providing housing to those in need but, its main aim is to provide housing for people with learning disabilities, around which they can build their lives.

Throughout the year, the main objectives worked upon, in order to meet this aim have been:

- To secure the future of our existing tenants and actively manage their housing needs.
- To continue to provide additional housing for people with learning disabilities by widening the range of services we provide

### Activities

**Golden Lane Housing (GLH) has been built on a simple message. There are more people with a learning disability that require housing than there is housing available.** On the back of this, GLH has been able to identify some of those people and provide individually tailored housing solutions to meet their needs.

GLH has achieved this by realising that housing solutions do not start and end at the "front door" of our properties. The process begins by creating an entrance-way or "gate" into the wider pool of housing (both social and private) for people with a learning disability by offering independent and expert housing advice to individuals with a learning disability, their families and carers.

One of the outcomes of this advice is that GLH is able to actively signpost people down the most appropriate "path" towards a housing solution which is right for that individual and their families and carers. Only one of these "paths" leads to GLH's "front door". **Our ability to solve the housing time bomb relies on us being able to fully utilise all the available paths.**

Where the most appropriate "path" for an individual leads to a GLH "front door", we have established a track record of providing high quality accommodation tailored around the individual circumstances and delivered in short timescales.

The on-going relationship with our tenants is as important as the upfront work, if we are to provide houses around which they can build their lives. Our tenants first and foremost want security and stability, but have demonstrated, through our successful tenant inclusion work, that they value ongoing contact with their landlord. This is in stark contrast with a "general needs" approach to housing where the landlord's function is simply to collect the rent and fix the roof. **GLH has an important role to play in the future of our tenants, their families and carers.**

In order to increase the number of “paths” that GLH are able to offer we continue to develop a range of services designed to meet the different needs of the individuals and families we work with. These products form the basis of our new business plan which is currently being agreed with Trustees. These products are:

- Ordinary Houses in Ordinary Streets: A combination of GLH's rented model.
- Great Tenants: A vehicle for introducing people with a learning disability to the private rented market and supporting them and the private landlords to create sustainable housing solutions.
- My Place: Shared ownership opportunities for people with a learning disability.
- Our House: Legacy and inheritance planning so that people can use the family home as a way of securing accommodation for people with a learning disability following the death of the last carer.

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

It continues to be the case that the **key success factor has been the GLH staff team and the mix of skills they have and that GLH has developed.**

Our housing team, supported by a professional back office, has developed a skill mix that allows them to deal with a number of different situations. They move from talking to individuals and their parents in their own homes about their futures and the future of their son or daughter with a learning disability, to having formal and intensive negotiations with estate agents, developers and funders. In short, GLH staff has a **highly developed mix of empathy, expertise and professionalism.** Finding the right people to join this staff team and providing ongoing training and development for this team is vital for GLH's continued success.

**GLH is about people first, both in terms of our tenants, their families and carers and the GLH staff team and property second.** The capital we have required to date and the property portfolio we have acquired are by-products of providing a service to people with learning disabilities, their families and carers.

What is unique about GLH is that we have a deep understanding of the provision of housing for people with learning disabilities. We have that to solve the housing time bomb, we must:

- **Start at the “Gate” into the housing sector (both social and private).**
- **Rely on the utilisation of all available “paths” to securing housing.**
- **Require the provision to more “front doors” or houses which people with a learning disability can access.**
- **Having a long term commitment to housing people with a learning disability, not a commitment to short term property investment.**

### 3- Achievements and performance

The main achievement for GLH this year has been in the work it has undertaken to secure the tenancies of people with learning disabilities affected by the changes in the housing benefit rules. Through the work of the team GLH have successfully secured the tenancies of 42 people with learning disabilities in 6 Local Authorities during 2008/09. We continue to work to secure the tenancies of the remaining individuals and are confident that we will do so

2008/09 has again seen GLH grow the accommodation it provides for people with learning disabilities. Despite the generally challenging economic climate and the change to Local Housing Allowance, GLH has provided additional housing for 66 people with learning disabilities.

GLH has again seen growth through working with Primary Care Trusts ( PCT ) and Local Authorities ( LA ) to complete re-provisioning work.

We have also been successful in securing funding from the Department of Health for a pilot project designed to increase access to private sector rented accommodation across South West London. It is hoped that over the two year period we will secure accommodation for 234 people with learning disabilities through this project.

Finally the trustees would like to express their thanks and appreciation to all the staff team for their hard work in making a real difference to the lives of many people with learning disabilities, their families and carers.

### 4 – Financial review

During the year Golden Lane Housing began work on its 5 year business plan, this showed not only that Golden Lane Housing had built a strong foundation over the last ten years, but that the business moving forward was in a healthy position. Golden Lane Housing again finished the year in surplus and with a cash positive result, demonstrating the strong financial management of the charity by its officers, which provides the base from which we can continue to change people's lives.

During the financial year, Golden Lane Housing has reduced its borrowings by £689,370 whilst its rental income has increased by £446,090.

<u>Key Performance Indicators</u>	Plan	Actual
Number of New tenants	123	67
Number of New Schemes	42	30 13 owned/11 leased/6 managed
% Void	5.0%	5.8%

Actual figures are lower than target as the main activity during the year has been to secure tenancies of people with learning disabilities affected by the changes in the housing benefit rules.

#### Investment powers and policy

The Treasury plan will be produced and approved as part of the regular update of the five year business plan.

#### Reserves policy

The policy in relation to unrestricted reserves is to set aside as designated funds amounts for specific future purposes as described below and to hold a minimum of £650,000 expenditure cover as undesignated or free reserves.

The trustees have reviewed the reserves of the charity.

In general terms our property portfolio is in a good state of repair. However we are currently in the process of reviewing, updating and improving our stock condition information so as to be confident future maintenance liabilities can be met out of future income flow. We have designated a further £78,290 to cover the void re-decoration as this element would not be covered.

During 2007/08 GLH sold 5 properties generating a surplus of £120,219. This amount is designated as investment for future family schemes.

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

We have also designated £713,972 for the three properties donated to GLH to date as those properties are tenanted and will not be disposed of.

We have £3,571,218 worth of non repayable grants in the designated reserves which have been used to finance the purchase and development of properties held in Fixed Assets.

The Cornwall Housing project undertook a specific fundraising event and we have designated the £6,067 raised from this event for future investment in Cornwall.

Reserves Policy (continued)

Bury Mencap donated bonds to the value of £10,000 and we have designated this amount in reserves for future investment in this geographical area.

This leaves £3,563,854 of other unrestricted reserves which the trustees consider sufficient, given the designations outlined above

## 5 – Plans for future periods

The next twelve months are likely to see GLH continuing to work to secure the tenancies for our existing tenants, whilst bedding down and testing our new products. Our ambition, captured in our new business plan is to impact the lives of 750 people with learning disabilities in the next five years. This will be achieved by ensuring we find the correct balance between the new products and by continuing to invest in the staff team. We are confident that we will remain a leading organisation in the provision of housing solutions for people with learning disabilities.

## 6 – Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements. The Trustees have prepared the accounts for the charitable company in accordance with United Kingdom Generally accepted Accounting Practice (UK GAAP). Company law requires the Trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the profit or loss of the charitable company for that period and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements report which comply with the requirements of the Companies Act 1985.

### 7 - Provision of information to auditors

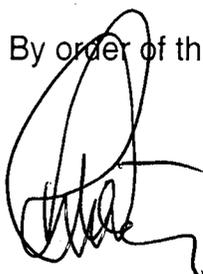
Insofar as each of the Trustees of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing the audit report) of which the charitable company's auditors are unaware.

Each Trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### 8- Auditors

The appointment of Horwath Clark Whitehill LLP as auditors for GLH was confirmed at an AGM held on the 25<sup>th</sup> September 2008.

By order of the trustees



Roger Galletley (Chairman)  
24th June 2009

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

We have audited the financial statements of Golden Lane Housing Ltd for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes set out on pages 16 to 25. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's member, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's member those matters we are required to state to the member in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its member as a body, for our audit work, for this report, or for the opinion we have formed.

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

The responsibilities of the trustees, who are also the directors of Golden Lane Housing Ltd for the purposes of company law, for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 trustees' remuneration and other transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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.

**Unqualified opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.



**Horwath Clark Whitehill LLP**  
Chartered Accountants and Registered Auditors

Date *24 June 2009*

St Bride's House,  
10 Salisbury Square,  
London EC4Y 8EH

**GOLDEN LANE HOUSING LTD**

**STATEMENT OF FINANCIAL ACTIVITIES**

( incorporating an income & expenditure account )

Year ended 31 March 2009	Notes	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds :</b>					
Voluntary Income :					
Donations and gifts	15	31,742	-	31,742	205,073
Investment Income	16	-	-	-	612
		31,742	-	31,742	205,685
<b>Incoming resources from charitable activities :</b>					
Residential Services :					
Rental income		7,648,087		7,648,087	7,201,997
Grants received for property acquisition		796,077	4,562,278	5,358,355	5,297,834
Profit on disposal of fixed assets			-	-	120,219
Consultant work		53,805	-	53,805	243,064
<b>Other incoming resources</b>		30,278	-	30,278	2,469
<b>TOTAL INCOMING RESOURCES</b>		8,559,989	4,562,278	13,122,267	13,071,268
<b>RESOURCES EXPENDED</b>					
<b>Costs of charitable activities :</b>					
17/18					
Residential services		6,379,586	-	6,379,586	6,469,503
Consultant work		49,417	-	49,417	101,812
<b>Governance costs</b>		24,252	-	24,252	31,120
		6,453,255	-	6,453,255	6,602,435
<b>TOTAL RESOURCES EXPENDED</b>		6,453,255	-	6,453,255	6,602,435
<b>NET INCOME FOR THE YEAR</b>	2	2,106,734	4,562,278	6,669,012	6,468,833
<b>FUNDS AS AT 1 APRIL</b>		6,342,545	11,170,346	17,512,891	11,044,058
<b>TOTAL FUNDS CARRIED FORWARD</b>	9	8,449,279	15,732,624	24,181,903	17,512,891
<b>AT 31 MARCH</b>					

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

**GOLDEN LANE HOUSING LTD**  
**BALANCE SHEET**  
as at 31 March 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets		67,950,235	62,637,831
Less: Shared investment contributions		(4,034,019)	(4,034,019)
<b>TOTAL FIXED ASSETS</b>	3	<u>63,916,216</u>	<u>58,603,812</u>
<b>CURRENT ASSETS</b>			
Debtors	5	891,214	1,544,681
Cash at bank and in hand		2,875,932	1,233,138
		<u>3,767,146</u>	<u>2,777,819</u>
<b>CREDITORS: amounts falling due within one year</b>	6	(3,060,779)	(2,539,430)
<b>NET CURRENT ASSETS</b>		<u>706,367</u>	<u>238,389</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		64,622,583	58,842,201
<b>CREDITORS: amounts falling due after one year</b>	7	(40,440,680)	(41,329,310)
<b>NET ASSETS</b>		<u>24,181,903</u>	<u>17,512,891</u>
<b>FUNDS</b>			
Restricted funds		15,732,624	11,170,346
Unrestricted funds		8,449,279	6,342,545
<b>Total funds</b>	9	<u>24,181,903</u>	<u>17,512,891</u>

Approved by the Trustees and authorised for issue.

Signed on behalf of the Trustees:



Roger Galletley (Chairman)  
24th June 2009

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

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The particular accounting policies adopted by the trustees are described below.

**b. Incoming resources**

The following accounting policies are applied to income:

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

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

Grants receivable are recognised in the statement of financial activities when the conditions for receipt of the grants have been fulfilled and the charitable company becomes entitled to payment. Discretionary grants applied for are not credited until they have been received. Where a grant is received relating to a future accounting period, the Statement of Financial Activities shows the gross amount receivable together with the movement in the amount deferred to future accounting periods.

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

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

Rental income is recognised on an accruals basis.

**c. Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services are supplied. All resources expended are classified under activity headings that aggregate all costs related to the category.

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

## NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES (continued)

## d. Irrecoverable VAT

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

## e. Funds

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

## f. Tangible Fixed Assets

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

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

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

The depreciation rates used for other assets are as follows:

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

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

## g. Operating Leases

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

## 2. NET INCOME FOR THE YEAR

	2009	2008
	£	£
Net income for the year is stated after charging / (crediting):		
Depreciation	434,615	372,088
Audit fees	8,754	9,295
Operating lease rentals - land & buildings	343,500	334,296
Profit on disposal of fixed assets	-	(120,219)

**GOLDEN LANE HOUSING LTD**  
**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2009**

**3. FIXED ASSETS**

	Property under construction	Freehold Land and Buildings	Leasehold Land and Buildings	Totals
<b>Cost</b>	£	£	£	£
At 1 April 2008	1,253,182	57,761,238	5,917,710	64,932,130
Additions	5,747,019	-	-	5,747,019
Reclassification	-	-	-	-
Transfers	(5,308,609)	5,290,313	18,296	-
Disposal	-	-	-	-
Balance as at 31 March 2009	<u>1,691,592</u>	<u>63,051,551</u>	<u>5,936,006</u>	<u>70,679,149</u>
<b>Accumulated Depreciation</b>				
At 1 April 2008	-	2,037,682	256,617	2,294,299
Charge for the year	-	383,600	51,015	434,615
Reclassification	-	(482)	482	-
Disposal	-	-	-	-
Balance as at 31 March 2009	<u>-</u>	<u>2,420,800</u>	<u>308,114</u>	<u>2,728,914</u>
Net Book Value at 31 March 2009	1,691,592	60,630,751	5,627,892	67,950,235
Less shared investment contribution	-	(3,212,332)	(821,687)	(4,034,019)
	<u>1,691,592</u>	<u>57,418,419</u>	<u>4,806,205</u>	<u>63,916,216</u>
Net Book Value at 31 March 2008	1,253,182	55,723,556	5,661,093	62,637,831
Less shared investment contribution	-	(3,212,332)	(821,687)	(4,034,019)
	<u>1,253,182</u>	<u>52,511,224</u>	<u>4,839,406</u>	<u>58,603,812</u>

Included in the cost of freehold land and buildings is land of £22,682,484 (year ended 31 March 2008: £20,944,924) which is not depreciated. The value of the land has been calculated using the land matrix published by the National Housing Federation.

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

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

## NOTES TO THE ACCOUNTS

## 4. TAXATION

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

## 5. DEBTORS

	2009	2008
	£	£
Trade debtors	263,534	322,599
Other debtors	627,680	1,222,082
	<u>891,214</u>	<u>1,544,681</u>

## 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade creditors	137,701	76,972
Other creditors	54,172	64,982
Due to Royal Mencap Society	564,118	441,913
Loans secured on Freehold Land and Buildings	1,038,317	828,747
Accruals and deferred income	1,266,471	1,126,816
	<u>3,060,779</u>	<u>2,539,430</u>

## 7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2009	2008
	£	£
Due to Royal Mencap Society	6,679,181	7,000,923
Loans secured on Freehold Land and Buildings	31,971,538	32,548,736
Other - Triodos bond issue	1,789,961	1,779,651
	<u>40,440,680</u>	<u>41,329,310</u>

## NOTES TO THE ACCOUNTS

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

**Royal Mencap Society**

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

	2009	2008
	£	£
Between 1-2 years	321,742	292,907
Between 2-5 years	965,226	878,721
Over 5 years	5,392,213	5,858,130
	<u>6,679,181</u>	<u>7,029,758</u>

**Nationwide Building Society**

The £24,733,905 loans secured on freehold land and buildings from Nationwide Building Society are a mix of variable loan finance and fixed term loan finance, the interest rates for these loans are fixed until September 2011, April 2012, March 2013 and June 2025. The balance of the loan is provided at variable rates. An element of the loan is repayable in May 2012. The loans are repayable as follows:

	2009	2008
	£	£
Between 1-2 years	767,197	757,142
Between 2-5 years	14,129,537	2,458,759
Over 5 years	9,115,498	21,518,004
	<u>24,012,232</u>	<u>24,733,905</u>

**Triodos**

The £8,275,950 loans are secured on freehold land and buildings from Triodos Bank. facility. The loans are subject to variable interest rates and are repayable as follows :

	2009	2008
	£	£
Between 1-2 years	319,436	653,609
Between 2-5 years	982,603	526,785
Over 5 years	6,657,267	6,634,437
	<u>7,959,306</u>	<u>7,814,831</u>

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

**Housing Bond Issue**

On 2 April 2003, Golden Lane Housing issued through Triodos Bank NV, a prospectus offering for subscription up to 60,000 Housing Investment Bonds with a nominal value of £100 each. The purpose of the Housing Bond Issue was to raise capital with which to purchase properties to rent to people with a learning disability. The total value of bonds issued at the closing date of 31 January 2004 was £1,754,200. Issue costs of £184,000 have been deducted from the initial value of the bond. Additional bonds with a value of £39,000 were issued in the year to 31 March 2005. Additional bonds with a value of £100,000 were issued in the year to 31 March 2007.

The bonds are unsecured and will be repaid on 30 April 2013.

Interest is paid annually at the rate of the annual percentage change in inflation (as measured by the Headline Inflation Rate) plus 1%, capped at a maximum interest rate of 6.5%.

## NOTES TO THE ACCOUNTS

## 8. OPERATING LEASE COMMITMENT

At 31 March 2009 the charity has annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2009 £	Land and Buildings 2008 £
With in one year	216,133	183,635
Two to five years	89,280	11,400
	<u>305,413</u>	<u>195,035</u>

## 9. STATEMENT OF FUNDS

	At 1 April 08 £	Income £	Expenditure £	Transfer £	At 31 March 09 £
<b>GENERAL RESERVE</b>	2,311,481	7,747,845	(6,453,255)	(42,217)	3,563,854
<b>DESIGNATED RESERVES</b>					
Cyclical maintenance funds	328,531	-	-	78,290	406,821
Seed capital for future schemes	120,219	-	-	-	120,219
VAT for development project	57,128	-	-	-	57,128
Non repayable grants received	2,811,214	796,077	-	(36,073)	3,571,218
Property gifted and tenanted	713,972	-	-	-	713,972
Cornwall Housing project	-	6,067	-	-	6,067
Bury Mencap - bonds donated	-	10,000	-	-	10,000
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>6,342,545</u>	<u>8,559,989</u>	<u>(6,453,255)</u>	<u>-</u>	<u>8,449,279</u>
<b>RESTRICTED FUNDS</b>					
Fixed legal charges received	1,291,355	-	-	-	1,291,355
Repayable grants received	9,878,991	4,562,278	-	-	14,441,269
<b>TOTAL RESTRICTED FUNDS</b>	<u>11,170,346</u>	<u>4,562,278</u>	<u>-</u>	<u>-</u>	<u>15,732,624</u>
<b>TOTAL FUNDS</b>	<u>17,512,891</u>	<u>13,122,267</u>	<u>(6,453,255)</u>	<u>-</u>	<u>24,181,903</u>

The general reserve represents the free funds of the charity which are not designated for particular purposes. The charitable company general reserve is generated by the surplus from the operating activities. This surplus is necessary to meet the capital repayments on the loans with Triodos, Nationwide and Mencap. Over the last few years, as per its business plan and its current strategy, GLH has effectively been repaying its existing debt out of operations surplus and overtime this will lead to a build up of the general reserve. This has a neutral impact on the cash held in the bank as the amounts received via operating activities has been used to pay back the capital repayment in accordance with the terms of the loans. Therefore the increase in the general reserve has not generated unencumbered funds for investment in future developments. To support other areas of opportunity and have a positive impact on fulfilling the housing needs of a greater number of people with learning disability, GLH will continue fund raising initiatives in 2009/10.

The cyclical maintenance fund represents the maintenance commitments not financed by future cash flow.

The surplus on disposal of fixed assets has been designated as seed capital for future family schemes.

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

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

The property gifted to GLH will be kept in the designated reserve as they are tenanted and could not be disposed of without breaking those tenancies. Specific funds were raised for the Cornwall Housing project and thus have been designated for this project. Bury Mencap donated £10,000 of bonds to be used in a specific geographical area. The restricted funds recognise the value of assets that have been funded by capital contributions and would be repayable upon disposal of those corresponding assets.

## NOTES TO THE ACCOUNTS

## 9. STATEMENT OF FUNDS (continued)

## ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Restricted Funds £	Designated Funds £	Unrestricted Funds £	Total £
Tangible Fixed Assets	15,732,624	4,285,190	44,098,402	64,116,216
Current assets				
Debtors	-	-	938,350	938,350
Cash at bank and in hand	-	600,235	2,240,658	2,840,893
Current liabilities	-	-	(3,144,445)	(3,144,445)
Long term Liabilities	-	-	(40,369,111)	(40,369,111)
	<u>15,732,624</u>	<u>4,885,425</u>	<u>3,763,854</u>	<u>24,381,903</u>

## 10. CASH FLOW STATEMENT

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

## 11. MEMBERS

The charity is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 March 2009 there was one member.

## 12. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

Golden Lane Housing has no employees. Work is performed by staff of the Royal Mencap Society who have been seconded to Golden Lane Housing and the costs are charged as part of residential cost expenditure. The total payroll costs recharged by Mencap to GLH for 2008/2009 amounted to £1,008,962. (2007/2008 - £820,098)

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

During the year £439 was reimbursed to two trustees as expenses (year ended 31 March 2008: £434 reimbursed to two trustees).

13. RELATED PARTIES

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

14. PARENT COMPANY

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

15. VOLUNTARY INCOME

	2009	2008
	£	£
Bond Interest Donated by Bond Holders	15,475	16,767
Bonds Donated by Bond Holders	10,000	2,000
Donated property	-	175,000
Fundraising	6,067	551
Other donations	200	10,756
	<u>31,742</u>	<u>205,073</u>

16. INVESTMENT INCOME

Golden Lane Housing's investment income was nil during 2008/09 (2007/08 - £612).

17. ALLOCATION OF SUPPORT COSTS

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

<u>Support Costs</u>	Residential			2009	2008
	Services	Consultant	Governance	Total	Total
Staff days	5,894	181	55	6,129	5,448
	£	£	£	£	£
Payroll	1,066,207	32,655	9,950	1,108,812	945,194
Travel	248,150	7,600	2,316	258,066	226,008
Office Expenses	71,531	2,191	668	74,390	50,878
Training	40,294	1,234	376	41,904	25,019
Mencap Services	102,823	3,149	960	106,932	104,832
Office rent recharge	84,499	2,588	789	87,876	123,262
Mencap Management	-	-	-	-	-
	<u>1,613,504</u>	<u>49,417</u>	<u>15,059</u>	<u>1,677,980</u>	<u>1,475,193</u>

## NOTES TO THE ACCOUNTS

## 18. ANALYSIS OF CHARITABLE EXPENDITURE

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

<u>Charitable expenses</u>	Residential			2009	2008
	Services	Consultant	Governance	Total	Total
	£	£	£	£	£
Operating Leases	343,500	-	-	343,500	334,296
Maintenance	985,340	-	-	985,340	1,098,823
Service Charges	482,508	-	-	482,508	393,690
Professional Services	239,980	-	-	239,980	204,548
Depreciation	434,615	-	-	434,615	372,088
Bad Debt Provision	148,178	-	-	148,178	148,212
Audit fee/Board meeting/AGM	-	-	9,193	9,193	9,729
Interest & Finance Charges	2,131,961	-	-	2,131,961	2,565,856
Support costs ( note 17 )	1,613,504	49,417	15,059	1,677,980	1,475,193
	<u>6,379,586</u>	<u>49,417</u>	<u>24,252</u>	<u>6,453,255</u>	<u>6,602,435</u>

## 19. DEFERRED INCOME

	£
Deferred Income at 1 April 2008	244,424
Released	(123,919)
Deferred	174,532
Deferred Income at 31 March 2009	<u>295,037</u>