

**SOLON SOUTH WEST HOUSING  
ASSOCIATION**

REPORT & FINANCIAL STATEMENTS

Year ended 31 March 2004

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## **BOARD MEMBERS, EXECUTIVE OFFICERS, ADVISORS AND BANKERS**

### **Board of Management at 31 March 2004:**

Chairperson:	Kate Orchard
Vice Chairperson:	Stephen Guile
Other Members:	Jim Armstrong Alastair Bloice Debbie Collard Leotta Goodridge Diane Hall (Chair - Audit & Finance Committee) Stewart Mountfield Hans Nandwani Ewan van Ryneveld Margaret Richardson

### **Senior Staff:**

Chief Executive and Company Secretary	Paul Ville
Head of Finance	Simon Wilkie
Head of Housing Services	Sarah Wilde
Head of Asset Management	Peter Brookes
Development Director	Kelly Thomas

### **Auditors:**

RSM Robson Rhodes LLP  
Chartered Accountants  
Hanover House  
Queen Charlotte Street  
BRISTOL BS1 4EX

### **Solicitors:**

Burges Salmon  
Narrow Quay House  
Prince Street  
BRISTOL BS1 4AH

Bevan Ashford  
35 Colston Avenue  
BRISTOL BS1 4TT

### **Principal Bankers:**

HSBC Bank Plc.  
49 Corn Street  
BRISTOL BS99 7PP

### **Registered Office:**

1 Newfoundland Court  
Newfoundland Street  
BRISTOL BS2 9AP

[www.solonswha.co.uk](http://www.solonswha.co.uk)

Solon is a charitable housing association registered under the Industrial and Provident Societies Acts, No: 21136R.

Registered with the Housing Corporation, No: L0125

**HIGHLIGHTS – FIVE YEAR SUMMARY**

	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income and expenditure:</b>					
Total turnover	3,867	3,130	2,857	2,790	2,594
Gross rents receivable	3,723	2,941	2,683	2,557	2,457
Operating surplus	782	534	249	432	449
Surplus for the year	611	413	98	322	289
<b>Balance sheet:</b>					
Tangible fixed assets	33,806	32,108	29,744	28,969	28,779
SHG and other capital grants	(25,938)	(25,312)	(24,234)	(23,614)	(23,459)
Tangible fixed assets net of grants	7,868	6,796	5,510	5,355	5,320
Net current (liabilities)/assets	(203)	(212)	431	977	644
Loans	(2,724)	(2,206)	(1,897)	(2,401)	(2,441)
Reserves - revenue	3,568	3,177	2,768	2,539	2,082
- designated	1,385	1,165	1,161	1,292	1,426
Total reserves	4,953	4,342	3,929	3,831	3,508
<b>Accommodation:</b>					
Total housing stock owned (including supported bedspaces)	909	899	866	869	868
Total housing stock leased (including supported bedspaces)	212	247	235	236	229
Total	1121	1,146	1,101	1,105	1,097
<b>Statistics:</b>					
Surplus for the year as % of turnover	15.8%	13.2%	3.4%	11.5%	11.0%
Surplus for the year as % of gross rents	16.4%	14.1%	3.7%	12.6%	11.7%
Voids and bad debts as % of rent and service charges receivable	6.2%	4.9%	5.6%	5.0%	6.1%
Operating surplus per home owned	£860	£594	£282	£491	£510
Total reserves per home	£5,450	£4,831	£4,445	£4,358	£3,986
Interest cover (surplus before interest payable divided by interest payable)	4.4	4.0	1.5	2.5	2.3
Liquidity (current assets divided by current liabilities & provisions)	0.79	0.72	1.5	2.6	2.3
Gearing (total loans as % of SHG, loans plus reserves)	8.1%	6.9%	6.7%	8.1%	8.3%

## **CHIEF EXECUTIVE'S REPORT**

I am pleased to introduce Solon's annual financial statements for 2003/2004.

The accounts demonstrate that Solon is a successful social business, which is maintaining financial strength and viability while achieving the balance of rent affordability and investment in new and existing housing. We continue to succeed in an increasingly complex, competitive and challenging business environment.

The accounts demonstrate tangible achievements, including:

- Financial strength across a range of indicators.
- Growth via provision of new permanent homes.
- Continuing investment in existing homes to ensure they are maintained in good condition, and that we can achieve the Decent Homes Standard.
- Provision of new temporary homes, bringing empty properties back to life, primarily to tackle homelessness.
- Improved performance on controlling current rent arrears.

During the year, we have continued to invest resources to make Solon more efficient, and to improve services, including:

- Satisfactory re-negotiation of the office lease.
- On-going development of the computer system.
- Review of the business plan and 30-year financial plan.
- Rolling programmes of internal audit and risk management, to improve controls and systems, and reduce risk.
- On-going corporate planning to achieve business plan objectives.
- Completion of the Best Value service review of supported housing.
- Action resulting from Best Value service reviews and the Audit Commission inspection.

We successfully delivered an increased development programme of 22 permanent and 10 temporary homes. New homes are essential to renew the profile of our ageing housing stock, reducing the associated on-going financial liability, and improving cost effectiveness and financial strength. The higher quality achieved with new homes is also important in meeting increasing customer expectations. They also contribute to meeting the escalating need for affordable housing.

Growth complements, and is complemented by the delivery of the asset management strategy. The implementation of the strategy is essential to improve the quality and efficiency of the maintenance service, and ensure the most cost effective use of existing stock. This was a very high priority over the past year, and it will continue to be so in the future.

We also continued to make a significant contribution to the work of Community @ Heart in Bristol's Barton Hill area during the year, laying the foundations for a successful community, not only in the way the housing will be developed, but also in the way it will be allocated and managed in the longer-term.

### **The future**

There will be a number of challenges for Solon in the year ahead. These include the continued bedding down of the Supporting People arrangements and a new Best Value service review of finance and information technology. The development programme will continue to grow as we cement our partnerships with core local authorities and other housing providers. We will continue to build on our role in Neighbourhood Renewal, and ongoing inner city regeneration. Our services will continue to develop and improve.

### **Financial strength for the future**

The most recent Housing Corporation Assessment notes that Solon has a strong financial condition and exposures are comprehensively mitigated. Our financial strength, including very low borrowing, high value stock, and a sound 30-year financial plan enable us to continue to look forward to the future with confidence.

### **Thanks**

I would like to thank all those who have supported us during the year: our customers, our partners, and most importantly the Board for their hard work and commitment. I also thank my colleagues for their continued hard work during the year.

Paul Ville  
Chief Executive  
8 September 2004

## **REPORT OF THE BOARD**

The board presents its report and the audited financial statements for the year ended 31 March 2004.

### **Principal activities**

Solon South West Housing Association Limited ('the Association') is a not-for-profit organisation administered by a voluntary Board. The Association operates in Bristol and the surrounding areas of Bath, Shepton Mallet, Frome, Forest of Dean and South Gloucestershire from its office in Newfoundland Street, central Bristol.

The Association's principal activities are the development and management of social housing, and the Association's performance during the year and position at the year-end are summarised below.

### **Performance for the year**

The Board is pleased to report a surplus on ordinary activities (after interest charges) of £611,000, increasing the Association's funds to £4,953,000.

### **Reserves**

It is the Association's policy to reinvest its reserves into the procurement of additional social housing and the majority of the revenue reserve of £3,568,000 has been, or will be, used in this way.

Reserves are also earmarked for future repair needs. We transferred £152,000 of our surplus for the year to designated major repairs and cyclical repairs reserves and have utilised £13,000 of these reserves and £160,000 of the RSF reinvestment fund to underpin expenditure on our reinvestment and major repairs programme.

### **Housing development and maintenance**

The Association spent £1,840,000 on the acquisition and development of housing properties, financed through grants of £652,000, loans of £516,000 and internal financing of £672,000. The Association is increasingly obtaining new properties through s106 planning gain, and this is reflected in lower receipts of capital grant.

Significant expenditure on major and programmed works was continued at £762,000, net of capitalisation (2003: £724,000). However, this was lower than during the Association's major investment programme, reflecting the benefits of this earlier work.

### **Future developments**

The board has approved plans to spend nearly £3.3million (before grants) to develop new general needs and supported housing. We have also agreed new loan facilities for a further £3.5million to finance anticipated future developments.

### **Post balance sheet events**

We consider that there have been no events since the financial year-end that have had an important affect on the financial position of the Association.

### **Financing and treasury management**

The Association borrowed a further £0.5million during the year to develop new social housing for general needs and supported purposes. Operating cash flows of £1million helped fund new investment, and allowed the Association to finish the year with excellent financial security, maintaining low gearing of 8.1%, as well as £1.2million of un-drawn private finance facilities available on demand.

The Board's approach to risk and treasury management is outlined below. The Board monitors our position through quarterly reports.

The Association borrows at both fixed and floating rates of interest. The Association's policy is to keep between 30% and 70% of its borrowings at variable rates of interest. At the year-end, 52 % of the Association's borrowings were at variable rates (2003: 41 %).

#### **Payment of creditors**

Our policy is to pay purchase invoices by the end of the month following receipt, or earlier if agreed with the supplier.

#### **Single European currency**

Our accounting system is capable of accommodating the euro.

#### **Employees**

Much of the Association's strength lies in the quality and commitment of its employees. The Association's ability to meet its objectives and commitments to tenants in an efficient and effective manner depends on the contribution of employees throughout the Association.

The Association ensures staff are fully informed of its objectives, progress and activities through regular office and departmental meetings. The Association provides training programmes focused on quality and customer service and consults employees on proposed improvements to services and other matters of common concern. We have been recognised as an Investor in People since October 2002.

The Association is committed to equal opportunities for all its employees.

#### **Health and safety**

The Board is aware of its responsibilities on all matters relating to health and safety. We have prepared detailed health and safety policies and provide staff training and education on health and safety matters.

#### **Board Members and executive officers**

The present Board Members and executive officers of the Association are set out on page 1. The Board Members are drawn from a wide background bringing together professional, commercial and local community skills and experience. All the Board Members served throughout the year, apart from Fred Semple who retired in November 2003, and Jim Armstrong, who joined in March 2004.

Kelly Thomas, the development director, joined Solon in April 2003. The other executive officers served throughout the year.

The Association has insurance policies that indemnify its Board Members and executive directors against liability when acting for the Association.

#### **Service contracts**

The executive officers are employed on the same terms as other staff, but with a longer notice period of 12 weeks.

#### **Pensions**

The executive officers are members of a personal pension scheme on the same terms as all other eligible staff. The Association contributes to the schemes on behalf of its employees.

#### **Statement of the responsibilities of the board for the report and financial statements**

The Industrial and Provident Societies Acts and registered social landlord legislation in the United Kingdom require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association at the end of the year and of the surplus or deficit of the Association for the year then ended.

In preparing those financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable United Kingdom Accounting Standards and the Statement of Recommended Practice: "Accounting by registered social landlords" (Update 2002); and
- prepare the financial statements on a going concern basis.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, paragraph 17 of Schedule 1 to the Housing Act 1996 and the Accounting Requirements for registered social landlords General Determination 2000. It is also responsible for safeguarding the assets of the Association 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" (Update 2002).

### **NHF Code of Governance**

The Association complies with the principal recommendations of the NHF Code of Governance (revised 2004). The ways in which we seek to achieve good housing association governance are outlined below.

### **Tenant involvement**

We actively encourage tenants' involvement in decision-making by promoting more formal mechanisms of tenant involvement. We have two tenant board members and have established reporting arrangements between the tenant forum and the board.

### **Internal controls assurance**

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

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, and not absolute, assurance against material misstatement or loss.

In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls which are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Association is exposed and is consistent with the principles outlined in the Housing Corporation circular R2-25/01 *Internal controls assurance*.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing and has been in place throughout the period commencing 1 April 2003 up to the date of approval of the report and financial statements. The Board receives and considers reports from management on these risk management and control arrangements at each meeting during the year, either directly, or via the Audit & Finance Committee.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

***Governance framework***

Solon is governed by a Board whose terms of reference have been reviewed regularly and continue to comply with the NHF Code of Governance.

Separate committees and working groups report to the Board, primarily covering audit and finance and tenant participation and equal opportunities.

Job descriptions and specifications have been agreed and adopted for the chairs of the Board, committees and working groups. The roles and responsibilities of individual members are set out in a letter, in accordance with the NHF Code.

Solon's Housing Corporation Assessment of June 2003 confirmed that the governing body has a wide range of skills and experience, is fully supported by appropriate governance arrangements, and maintains effective control of the Association.

***Internal control framework***

The Board has approved, and put in place standing orders and financial regulations that set Solon's high-level internal control framework. These are reviewed regularly by the Board. The last detailed review was undertaken in May 2003, and increased delegated authority was given to committees, and senior staff, without significant loss of overall control of key areas.

The standing orders and financial regulations set out the delegations and terms of reference to committees and working groups, managers and staff, and are circulated to all staff with delegated authorities.

The Board has approved, and put in place a business plan that sets out Solon's vision, business objectives, and key targets. An annual management action plan defining tasks to be completed by named staff within set deadlines is approved by the Board at beginning of the year. The Board monitors progress during the year.

***Risk identification and evaluation***

Solon undertakes an annual risk assessment exercise that concentrates on risk identification and evaluation and monitoring of suitable controls. The process is lead by the Chief Executive, who takes responsibility for advising the Board on risk management, and reporting any significant changes affecting key risks.

Risks are analysed to assess the possible impact of high, medium and low risks, and the likelihood of them arising. The senior management team subsequently identifies and assesses the existing controls available to avoid occurrence of the highest priority risks, and, where weaknesses exist, proposes actions to rectify them which are added to a risk action progress monitor.

The Internal Audit Association undertook a review of Solon's risk management process in May 2004 and concluded that the Association has robust arrangements in place for the identification and monitoring of key risks.

***Operation of controls and monitoring***

Staff work to procedures that incorporate all necessary controls. Managers are required to ensure that they and their staff follow policies and procedures. They certify that adequate systems of internal control exist and operate in their departments and that those systems are aligned to the management of significant risks facing the Association.

***Independent assurance***

Solon employs The Internal Audit Association (TIAA) as its internal auditors to provide independent assurance that appropriate controls are operated. TIAA's Annual Report 2003/04 found that, based on the work carried out, and assuming that the recommendations are implemented, Solon has adequate procedures in place that are designed and operated to provide effective control.

TIAA follow-up reviews during the year have established that the majority of recommendations (89%) arising out of system reviews carried out in previous years have been fully implemented.

Some independent assurance is provided by Solon's accreditation as an Investor in People. Further independent assurance is also provided by regular customer and staff surveys.

***Financial controls***

Long-term financial forecasts are validated by independent consultants, and approved annually by the Audit & Finance Committee and Board, to ensure Solon's long-term financial viability.

Budgets are prepared, approved by the Board, and monitored monthly, and quarterly via the preparation of management accounts. Short and medium-term cash flow forecasts are regularly prepared to ensure liquidity.

Financial reconciliations are performed monthly.

***Emergency planning***

Solon has a disaster recovery plan, copies of which are held off site by all senior staff and the Chairperson.

**Going concern**

After making enquiries the board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

**Annual general meeting**

The annual general meeting will be held on Wednesday, 8 September 2004 at 6.30pm.

**Auditors**

Following a tender exercise the Board intends to appoint Beever and Struthers as external auditors, and a resolution to this effect will be proposed at the forthcoming annual general meeting.

The report of the board was approved by the board on 8 September 2004 and signed on its behalf by:

Paul Ville  
Secretary

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLON SOUTH WEST HOUSING ASSOCIATION LIMITED**

We have audited the financial statements on pages 11 to 29.

This report is made solely to the Association's members, as a body, in accordance with regulations made under section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them 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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described on pages 6 and 7, the board is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for registered social landlords General Determination 2000. We also report to you if, in our opinion, the Report of the Board is not consistent with the financial statements, if the association 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 directors' remuneration is not disclosed.

We read the information contained in the Report of the Board and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Association as at 31 March 2004 and of the Association's surplus for the year then ended and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for registered social landlords General Determination 2000.

RSM Robson Rhodes LLP  
Chartered Accountants and Registered Auditors  
Bristol, England  
8 September 2004

**INCOME AND EXPENDITURE ACCOUNT**  
**For the year ended 31 March 2004**

	<b>Notes</b>	<b>2004 £'000</b>	<b>2003 £'000</b>
Turnover – continuing operations	3	3,867	3,130
Operating costs	3	(3,085)	(2,596)
Operating surplus – continuing activities	3	782	534
Interest receivable and other income	7	7	16
Interest payable and similar charges	8	(178)	(137)
Surplus on ordinary activities for the financial year	9/20	611	413
Transfer (to)/from designated reserves	20	(139)	4
Transfer to restricted reserves	20	(81)	(8)
		391	409
Revenue reserve at 1 April	20	3,177	2,768
Revenue reserve at 31 March	20	3,568	3,177

There were no recognised surpluses or deficits other than those included in the Income and Expenditure Account for the year or the previous year.

**BALANCE SHEET**  
**As at 31 March 2004**

	Notes	2004 £'000	2003 £'000
<b>Tangible fixed assets:</b>			
Housing properties – depreciated cost	11	33,728	32,013
Capital grants	11	(25,938)	(25,312)
		<hr/>	<hr/>
Other tangible fixed assets	12	7,790 78	6,701 95
		<hr/>	<hr/>
		7,868	6,796
<b>Current assets:</b>			
Debtors	13	325	289
Cash at bank and in hand		440	249
		<hr/>	<hr/>
		765	538
<b>Creditors:</b>			
<b>Amounts falling due within one year</b>	14	(968)	(750)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(203)	(212)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		7,665	6,584
		<hr/>	<hr/>
<b>Creditors:</b>			
<b>Amounts falling due after more than one year</b>	15	2,712	2,242
		<hr/>	<hr/>
<b>Capital and reserves:</b>			
Non-equity share capital	17		-
Restricted reserves	20	89	8
Designated reserves	20	1,296	1,157
Revenue reserves	20	3,568	3,177
		<hr/>	<hr/>
<b>Association's funds</b>	21	4,953	4,342
		<hr/>	<hr/>
		7,665	6,584
		<hr/>	<hr/>

The financial statements were approved by the Board on 8 September 2004 and signed on its behalf by:

Kate Orchard  
Chairperson

Diane Hall  
Board Member

Paul Ville  
Secretary

**CASHFLOW STATEMENT**  
**For the year ended 31 March 2004**

	Notes	2004 £'000	2003 £'000
<b>Net cash inflow from operating activities</b>	23	1,010	595
<b>Returns on investments and servicing of finance</b>		—	—
Interest received		7	16
Interest paid		(178)	(137)
		(171)	(121)
<b>Capital expenditure</b>		—	—
Acquisition and construction of properties		(1,863)	(2,501)
Purchase of other fixed assets		(37)	(42)
Capital grants received		734	1,022
		(1,166)	(1,521)
<b>Financing</b>		—	—
Housing loans received		530	900
Housing loans repaid		(12)	(591)
		518	309
<b>Increase (decrease) in cash</b>	24	191	(738)

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

### **1. LEGAL STATUS**

The Association is registered under the Industrial and Provident Societies Act 1965 and is registered with the Housing Corporation as a social landlord.

### **2. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements of the Association are prepared in accordance with applicable financial reporting standards and the Statement of Recommended Practice: Accounting by Registered Social Landlords, issued in November 2002, and comply with the Accounting Requirements for registered social landlords General Determination 2000.

The Board is satisfied that the current accounting policies are the most appropriate for the Association.

#### **Turnover**

Turnover comprises rental income receivable in the year, income from property sales and other services included at the invoiced value of goods and services supplied in the year, and revenue grants.

#### **Interest**

Interest payable is charged to the income and expenditure account in the year.

#### **Pensions**

The Association contributes to personal pensions for employees through a group stakeholder arrangement. This is a defined contribution scheme, and the assets are invested and managed independently of the finances of the Association. The costs are charged to management expenses over the periods benefiting from the employee's services.

#### **Supported housing managed by agencies**

Social housing capital grants are claimed by the Association as owner of the property and included in the balance sheet of the Association. The treatment of other income and expenditure in respect of supported housing projects depends on whether the Association carries the financial risk.

Where the Association holds the support contract with the Supporting People Administering Authority and carries the financial risk, all the project's income and expenditure is included in the association's income and expenditure account (see note 3).

Where the agency holds the support contract with the Supporting People Administering Authority and carries the financial risk, the income and expenditure account includes only that income and expenditure which relates to the Association. Other income and expenditure of projects in this category is excluded from the Association's income and expenditure account (see note 4).

#### **Taxation**

Because of its charitable status, the Association is exempt from tax on its income from investments, revenue account surplus and capital gains, provided they are applied for charitable purposes.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

### **Value added tax**

The Association does not charge value added tax (VAT) on its income and is unable to recover the VAT it incurs on expenditure. The financial statements include the irrecoverable VAT suffered by the Association.

### **Housing properties**

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings and development costs incurred during the development period.

### **Capitalisation of improvements to housing properties**

Expenditure incurred in respect of improvements is capitalised where it results in an increase in the net rental stream over the useful life of the property. An increase in net rental stream may arise through: an increase in the rental income, a reduction in future maintenance costs, or as a result of a significant extension of the useful economic life of the property in the business.

Only the direct overhead costs associated with new developments or improvements are capitalised. Land donated by local authorities and others is added to cost at the market value of the land at the time of the donation.

### **Social housing grant**

Social housing grant (SHG) is receivable from the Housing Corporation and is utilised to reduce the capital costs of housing properties, including land costs. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due from the Housing Corporation or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

SHG is subordinated to the repayment of loans by agreement with the Housing Corporation. SHG released on sale of a property is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors.

### **Other grants**

These include grants from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

### **Depreciation of housing properties**

Freehold land is not depreciated. Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost, less the proportion of SHG and other grants attributable to housing properties, less residual value. The Association's housing properties have been depreciated at the following rates from 1 April 1999.

#### *All properties*

- built since 1980            1.25% pa
- built before 1979         1.70% pa

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business if shorter.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

### **Impairment**

Houses built since 1980 which are depreciated over a period in excess of 50 years are, in accordance with Financial Reporting Standard No 11 and the SORP, subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating surplus unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised surpluses and deficits.

### **Other tangible fixed assets**

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

- Office improvements & short leasehold property - over the life of lease.
- Furniture, fixtures and fittings - 3 to 5 years, depending upon type
- Computers and office equipment - 3 years
- Motor vehicles - 4 years

### **Leased assets**

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Association's normal accounting policies. The present value of future rentals is shown as a liability.

The interest element of rental obligations is charged to the income and expenditure account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

### **Schemes in progress**

Properties under construction are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

### **Provisions**

The Association makes provisions only where there is a contractual or constructive liability for future expenditure, and the amount or timing is uncertain. Provisions are made to recognise the Association's obligation to hand back short-life properties to their owners in a state similar to that when they were received, and for unspent sums collected from agents for property maintenance.

### **Reserves**

The Association establishes *restricted reserves* for specific purposes where their use is subject to external restrictions and *designated reserves* where reserves are earmarked for a particular purpose.

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

### ***RSF re-investment fund***

The Association's commitment to fund major repairs, re-improvements and rehabilitation works of a revenue nature to housing properties is recognised by the transfer from accumulated surpluses to a restricted reserve - the *RSF reinvestment fund*. Annual contributions of 90% of the "rent surplus" are made to the reserve.

### ***Major repairs reserve***

The Association's commitment to fund other major repairs is recognised by the transfer from accumulated surpluses to the *major repairs reserve* - the amount is based on the expected future liabilities arising from the results of the Association's latest stock condition survey, updated in line with expenditure incurred on related works.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**3a. TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

	2004			2003		
	Turnover	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Social housing lettings:</b>	3,785	(2,901)	884	3,041	(2,342)	699
<b>Other social housing activities:</b>						
Development costs written off	-	(104)	(104)	2	(83)	(81)
Development – temporary social housing	16	(32)	(16)	-	(67)	(67)
Supporting people – tenancy support	48	(48)	-	-	-	-
Supported housing managed by others	-	-	-	76	(104)	(28)
Other income and expenditure	18	-	18	11	-	11
	<u>3,867</u>	<u>(3,085)</u>	<u>782</u>	<u>3,130</u>	<u>(2,596)</u>	<u>534</u>
	=====	=====	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**3b. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS**

	2004					2003				
	General needs	Supported housing	Properties managed by others	TSH	Total	General needs	Supported housing	Properties managed by others	TSH	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from social housing lettings</b>										
Rent receivable net of identifiable service charges	2,321	44	576	597	3,538	2,251	41	86	390	2,768
Charges for support services	3	76			79		-	-	-	-
Service charges receivable	66	34		6	106	93	67	-	13	173
<b>Gross rental income</b>	<b>2,390</b>	<b>154</b>	<b>576</b>	<b>603</b>	<b>3,723</b>	<b>2,344</b>	<b>108</b>	<b>86</b>	<b>403</b>	<b>2,941</b>
Less: rent losses from voids	(48)	(4)	(29)	(41)	(122)	(46)	(6)	(9)	(40)	(101)
<b>Net rental income</b>	<b>2,342</b>	<b>150</b>	<b>547</b>	<b>562</b>	<b>3,601</b>	<b>2,298</b>	<b>102</b>	<b>77</b>	<b>363</b>	<b>2,840</b>
Revenue grants from local authorities & other agencies	-	-	-	103	103	-	-	-	17	17
Revenue grants from the Housing Corporation	65	-	-	-	65	162	22	-	-	184
Other income	-	-	13	3	16					
<b>Turnover from social housing lettings</b>	<b>2,407</b>	<b>150</b>	<b>560</b>	<b>668</b>	<b>3,785</b>	<b>2,460</b>	<b>124</b>	<b>77</b>	<b>380</b>	<b>3,041</b>
<b>Expenditure on social housing lettings</b>										
Management	557	21	285	104	967	461	91	43	67	662
Support	8	76	-	-	84	-	-	-	-	-
Services	49	18	-	28	95	86	15	-	37	138
Routine maintenance	418	5	95	55	573	474	4	35	74	587
Planned maintenance	291	14	80	84	469	358	(4)	-	32	386
Major repairs expenditure	267		21	5	293	338	-	-	-	338
Bad debts	54	1	31	21	107	24	8	-	10	42
Property lease charges	1		19	178	198	-	-	3	94	97
Depreciation of housing properties	76	1	6	32	115	70	1	-	21	92
<b>Operating costs on social housing lettings</b>	<b>1,721</b>	<b>136</b>	<b>537</b>	<b>507</b>	<b>2,901</b>	<b>1,811</b>	<b>115</b>	<b>81</b>	<b>335</b>	<b>2,342</b>
<b>Operating surplus/(deficit) on social housing lettings</b>	<b>686</b>	<b>14</b>	<b>23</b>	<b>161</b>	<b>884</b>	<b>649</b>	<b>9</b>	<b>(4)</b>	<b>45</b>	<b>699</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**4. SUPPORTED HOUSING MANAGED BY AGENCIES**

Where the agency carries the financial risk, the Association's income and expenditure account includes only the income and expenditure for which it retains responsibility. The Association has 157 supported bedspaces (2003: 204) that are managed on its behalf, under management agreements, by other bodies who contract with Supporting People Administering Authorities. Under Solon's new management agreements, the agents carry the financial risk relating to the Supporting People income, whilst Solon bears the financial risks relating to the properties themselves.

Prior to 1 April 2003, the Association collected Supported Housing Management Grant (SHMG) relating to the supported housing units and paid it to each Agency. For 2003, the amount of SHMG payable to each body is shown below. SHMG is stated before direct administration charges have been deducted.

	<b>Grant Received 2004 £</b>	<b>Grant Received 2003 £</b>	<b>Bedspaces 2004 No.</b>	<b>Bedspaces 2003 No.</b>
<b>SHMG</b>				
<b>Managing body:</b>				
Southwold Young People's Hostel	-	21,274	10	9
Missing Link	-	52,460	21	21
Gloucester Youth Housing	-	32,204	12	12
Avon Autistic	-	23,708	-	9
East Bristol Youth Housing	-	185,015	51	78
Bristol Cyrenians	-	82,136	20	23
Stroud Court Community Trust	-	18,556	8	8
NCH Action for Children	-	17,772	-	8
Priority Youth Housing	-	17,772	8	8
Gloucester Domestic Violence & Abuse	-	32,113	15	15
Second Step Housing	-	30,960	12	13
	-----	-----	-----	-----
Total	-	513,970	157	204
	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**5. DIRECTORS AND SENIOR OFFICERS EMOLUMENTS**

No remuneration was paid to Board members during the year but expenses remunerated to them, not chargeable to income tax, were £243 (2003: £411).

The remuneration paid to the Chief Executive and the senior officers was:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Emoluments – including pensions and benefits in kind	227	176
	<u>          </u>	<u>          </u>
Emoluments – excluding pension contributions	218	168
	<u>          </u>	<u>          </u>

The emoluments of the highest paid director, the Chief Executive, were:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Emoluments – including pensions and benefits in kind	59	55
	<u>          </u>	<u>          </u>
Emoluments – excluding pension contributions	56	53
	<u>          </u>	<u>          </u>

The Chief Executive is a member of the pension scheme on the same terms as all other eligible employees.

**6. EMPLOYEE INFORMATION**

The average weekly number of persons (including the Chief Executive) employed during the year (expressed in full time equivalents) was:

	<b>2004</b>	<b>2003</b>
Administration	7	7
Development	2	2
Housing, support and care	19	19
	<u>          </u>	<u>          </u>
	28	28
	<u>          </u>	<u>          </u>

Staff costs (for the above persons) are as follows:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Wages and salaries	678	615
Social security costs	69	56
Other pension costs (see note 16)	34	29
	<u>          </u>	<u>          </u>
	781	700
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Interest received on bank investments	7	16
	<u>          </u>	<u>          </u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
<b>On bank loans, overdrafts and other loans:</b>		
Repayable wholly or partly in more than 5 years	178	137
	<u>          </u>	<u>          </u>

**9. SURPLUS ON ORDINARY ACTIVITIES**

Surplus on ordinary activities is stated after charging the following:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Depreciation – housing properties	115	97
Depreciation – other tangible fixed assets	51	76
Operating lease rentals	32	32
External auditors remuneration	11	11

**10. TAXATION**

Because of its charitable objectives, the Association is exempt from tax on its income from investments, revenue account surplus and capital gains provided they are applied for charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**11. HOUSING PROPERTIES**

	<b>Held for letting</b>	<b>Short leaseholds held for letting</b>	<b>Schemes in progress</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost:</b>				
At 1 April 2003	30,358	1,497	481	32,336
Additions	19	-	1,821	1,840
Transferred to completed schemes	1,254	1	(1,255)	-
Disposals	-	(10)	-	(10)
	<u>31,631</u>	<u>1,488</u>	<u>1,047</u>	<u>34,166</u>
At 31 March 2004	31,631	1,488	1,047	34,166
<b>Depreciation:</b>				
At 1 April 2003	292	31	-	323
Charge for year	98	17	-	115
	<u>390</u>	<u>48</u>	<u>-</u>	<u>438</u>
At 31 March 2004	390	48	-	438
Depreciated cost	<u>31,241</u>	<u>1,440</u>	<u>1,047</u>	<u>33,728</u>
At 31 March 2004	31,241	1,440	1,047	33,728
<b>Social housing grant:</b>				
At 1 April 2003	23,846	964	-	24,810
Receivable in the year	-	-	652	652
Transferred to completed schemes	36	-	(36)	-
Disposals	-	(24)	-	(24)
	<u>23,882</u>	<u>940</u>	<u>616</u>	<u>25,438</u>
At 31 March 2004	23,882	940	616	25,438
<b>Single regeneration budget:</b>				
At 1 April 2003	-	502	-	502
Disposals	-	(2)	-	(2)
	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
At 31 March 2004	-	500	-	500
<b>Net book value:</b>				
At 31 March 2004	<u>7,359</u>	<u>-</u>	<u>431</u>	<u>7,790</u>
At 31 March 2003	<u>6,220</u>	<u>-</u>	<u>481</u>	<u>6,701</u>

The insured value of the Association's freehold/long leasehold housing properties for reinstatement purposes is £71,976,032 (2003: £66,907,144).

Development staff costs capitalised in the year amounted to £70,996 (2003: £53,541).

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**11. HOUSING PROPERTIES** *continued*

Housing properties at depreciated cost comprise:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Freeholds	31,605	30,234
Long leaseholds	683	313
Short leaseholds	1,440	1,466
	<hr/>	<hr/>
	33,728	32,013
	<hr/> <hr/>	<hr/> <hr/>

**12. OTHER TANGIBLE FIXED ASSETS**

	<b>Furniture and equipment</b> <b>£'000</b>	<b>Motor</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
<b>Cost:</b>			
At 1 April 2003	248	65	313
Additions	34		34
	<hr/>	<hr/>	<hr/>
At 31 March 2004	282	65	347
	<hr/>	<hr/>	<hr/>
<b>Depreciation:</b>			
At 1 April 2003	180	38	218
Charge for the year	36	15	51
Disposals			
	<hr/>	<hr/>	<hr/>
At 31 March 2004	216	53	269
	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>			
At 31 March 2004	66	12	78
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2003	68	27	95
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**13. DEBTORS**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Rental debtors	183	155
Social Housing grant receivable	19	-
Prepayments and accrued income	77	85
Other debtors	46	49
	<hr/>	<hr/>
	325	289
	<hr/> <hr/>	<hr/> <hr/>

Included in debtors is a balance due after one year of £25,960 (2003: £27,946) which represents a loan to Gloucester Youth HA.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**14. CREDITORS: amounts falling due within one year**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Supported housing management grant	-	29
Housing loans	12	10
Trade creditors	328	309
Rental prepayments	93	120
Social housing grant received in advance	84	-
Other taxation and social security	19	17
Accruals and deferred income	398	230
Other creditors	34	35
	<hr/>	<hr/>
	968	750
	<hr/> <hr/>	<hr/> <hr/>

**15. CREDITORS: amounts falling due after more than one year**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Recycled capital grant fund	-	46
Housing loans	2,712	2,196
	<hr/>	<hr/>
	2,712	2,242
	<hr/> <hr/>	<hr/> <hr/>

The loans are at varying rates of interest and are repayable by instalments as follows:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
In one year or less	12	10
Between one and two years	14	11
Between two and five years	194	90
In five years or more	2,504	2,095
	<hr/>	<hr/>
	2,724	2,206
	<hr/> <hr/>	<hr/> <hr/>

Allocated housing loans for completed schemes are advanced to the Association by:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Royal Bank of Scotland	1,430	900
Orchardbrook Ltd	1,294	1,306
	<hr/>	<hr/>
	2,724	2,206
	<hr/> <hr/>	<hr/> <hr/>

All housing loans are secured by fixed charges on individual properties.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**16. PENSION OBLIGATIONS**

The Association contributes 5% of employee salaries into personal pension schemes on their behalf. The amount contributed was £33,967 (2003: £28,647)

The Chief Executive participates in the scheme on the same terms as all other eligible staff. No enhancement or special terms apply.

**17. NON EQUITY SHARE CAPITAL**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Shares of £1 each, issued and fully paid at the beginning of the year	39	39
Shares issued during the year	1	-
Shares cancelled during the year	-	-
	<hr/>	<hr/>
At the end of the year	40	39
	<hr/> <hr/>	<hr/> <hr/>

The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions on winding up.

**18. CAPITAL COMMITMENTS**

	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure contracted less certified	1,017	150
Expenditure authorised by the Board of Management not contracted	2,252	2,451
	<hr/>	<hr/>
	3,269	2,601
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**19. HOUSING STOCK**

The number of units of housing and supported projects accommodation in management and under development at 31 March 2004 was:

	<b>2004</b>	<b>2003</b>
	<b>No.</b>	<b>No.</b>
<b>Housing accommodation for letting:</b>		
New build	123	107
Rehabilitation	660	653
Shared housing other than hostels (number of bedspaces)	7	15
Temporary social housing – managed by others	57	58
Temporary social housing	97	89
	<hr/>	<hr/>
	944	922
<b>Supported projects accommodation:</b>		
Number of bedspaces - directly managed	20	20
Number of bedspaces – managed by agencies	157	204
	<hr/>	<hr/>
	177	224
<b>Total units</b>		
	<hr/> <hr/>	<hr/> <hr/>
	1,121	1,146
<b>Units in development</b>		
	<hr/> <hr/>	<hr/> <hr/>
	36	4

**20. RESERVES**

	<b>Restricted reserve £'000</b>	<b>Designated reserves £'000</b>	<b>Revenue reserve £'000</b>	<b>Total £'000</b>
As at 1 April 2003	8	1,157	3,177	4,342
Surplus for the financial year			611	611
	<hr/>	<hr/>	<hr/>	<hr/>
Transfer from income and expenditure account	241	152	(393)	
Transfer to income and expenditure account	(160)	(13)	173	
	<hr/>	<hr/>	<hr/>	<hr/>
Net transfers	81	139	(220)	
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	89	1,296	3,568	4,953

The restricted reserve represents the balance on the reinvestment fund calculated in accordance with the rent surplus fund determination and Housing Corporation circulars. It represents the amount earmarked for future major repairs on pre-1988 funded properties.

The designated reserve represents the amount earmarked for the completion of the Association's planned stock re-investment programme and also to fund repairs on properties developed after 1988.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**21. RECONCILIATION OF MOVEMENTS IN ASSOCIATION'S FUNDS**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Opening Association's funds	4,342	3,929
Surplus for the financial year	611	413
	<hr/>	<hr/>
Closing Association's funds	4,953	4,342
	<hr/> <hr/>	<hr/> <hr/>

**22. OPERATING LEASES**

At 31 March 2004, the Association had annual commitments under non-cancellable operating leases of:

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
<b>Office buildings, lease expiring:</b>		
In 5 years or more	32	32
	<hr/>	<hr/>

**23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
<b>Operating profit</b>		
Operating surplus	782	534
Depreciation charges	166	173
Surplus on disposal of housing properties	2	-
	<hr/>	<hr/>
	950	707
<b>Working capital movements</b>		
(Increase)/decrease in debtors	(47)	(66)
Increase/(decrease) in creditors	107	(46)
	<hr/>	<hr/>
	1,010	595
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2004

**24. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT**

	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
Increase (decrease) in cash in the year	191	(738)
Cash (outflow)/inflow from change in debt	(518)	(309)
<b>Change in net debt</b>	<u>(327)</u>	<u>(1,047)</u>
Net debt as at 1 April	(1,957)	(910)
<b>Net debt as at 31 March</b>	<u><u>(2,284)</u></u>	<u><u>(1,957)</u></u>

**25. ANALYSIS OF NET DEBT**

	<b>31 March</b> <b>2003</b> <b>£'000</b>	<b>Cashflows</b> <b>£'000</b>	<b>31 March</b> <b>2004</b> <b>£'000</b>
Cash at bank and in hand	249	191	440
Debt due within one year	(10)	(2)	(12)
Debt due after one year	(2,196)	(516)	(2,712)
<b>Changes in debt</b>	<u>(2,206)</u>	<u>(518)</u>	<u>(2,724)</u>
<b>Total changes in net debt</b>	<u><u>(1,957)</u></u>	<u><u>(327)</u></u>	<u><u>(2,284)</u></u>

**26. RELATED PARTIES**

Stephen Guile, a Solon Board member, is the Company Secretary for Knightstone Housing Association. During the year Solon purchased a property from Knightstone Housing Association as a normal commercial transaction.

There are currently two tenant members of the Board, Debbie Collard and Margaret Richardson. Tenant Board Members hold tenancies on normal terms and are not able to use their position to their advantage.