

**TWO SAINTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

# TWO SAINTS LIMITED

## CONTENTS

	Pages
Particulars of the board of management, officers and advisers	3
Report of the board of management	4 - 18
Report of the auditors	19
Statement of income and retained earnings	20
Statement of financial position	21
Statement of cash flows	22 - 23
Notes to the financial statements	24 - 39

## TWO SAINTS LIMITED

### PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Board of management	Senior management team
Ms J Burns – until 29 September 2015	Steve Benson, Chief Executive
Mr J Carter	Charlotte Buckingham, Regional Director
Mr A Cobb	Annette Lewis-Gow, Finance Director
Ms P Hall – until 10 November 2015	James McDermott, Regional Director
Ms B Harvey	Sharon Smith, Human Resources Director
Ms D Jamieson – co-opted 29 September 2015	
Mr A Marshall	
Mr M McKenzie, Chair	
Mr M Morris, Chair - Audit & Risk Committee	
Ms J Vaux	
Mr D Walker, Chair – Human Resources & Governance Committee	
Mr K Williamson – from 29 September 2015	

#### Secretary

Mr S Benson

Registered office	Solicitors	Auditors	Banks
35 Waterside Gardens Fareham Hampshire PO16 8SD	Capsticks Staple House Staple Gardens Winchester SO23 8SR	Nexia Smith & Williamson Imperial House 18-21 Kings Park Road Southampton SO15 2AT	Lloyds Bank plc 3 Town Quay Southampton SO14 2AQ

#### Registration details

Two Saints Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014 no. 26511R and is registered with the Homes & Communities Agency, the social housing regulator, no. LH3904.

**Two Saints is an exempt charity** – Her Majesty's Revenue & Customs registered number XR56079

# TWO SAINTS LIMITED

## BOARD REPORT

The board presents its report and financial statements for the year ended 31 March 2016.

### **Statement of the board's responsibilities in respect of the accounts**

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation 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 organisation and of its income and expenditure for that period.

In preparing these financial statements, the board is required to:

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

The board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. It has general responsibility for taking reasonable steps to safeguard the assets of the organisation and to prevent and detect fraud and other irregularities.

### **Statement on Two Saints' system of internal control**

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

The board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the organisation's assets and interests.

In meeting its responsibilities, the board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the organisation is exposed and is consistent with Turnbull principles as incorporated in the former Housing Corporation's circular 07/07: Internal Controls Assurance.

The process 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 includes:

- **Identification and evaluation of key risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of our activities. The senior management team regularly considers and receives reports on significant risks facing the organisation and the chief executive is responsible for reporting to the board any significant changes affecting key risks.

- **Overall control procedures**

The board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

# TWO SAINTS LIMITED

## BOARD REPORT

- **Information and financial reporting systems**

Financial reporting procedures include budgets for the year ahead, management accounts produced monthly and forecasts for the remainder of the financial year and for subsequent years. These are reviewed in detail by the senior management team and are considered and approved by the board who also regularly review key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

- **Monitoring and corrective action**

A process of regular management reporting on control issues provides assurance to senior management and to the board. This includes a rigorous procedure for ensuring corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

The internal control framework and the risk management process are subject to regular review by TIAA Limited, our internal auditors, who advise the senior management team and report to the audit & risk committee who consider internal control and risk at each of its meetings. During the year reviews were carried out on data assurance, key financial controls, maintenance, CORE compliance, human resources management and recruitment, two follow up days on private leasing, two regulatory reviews at services with a follow up day at one of these, and a follow up of audit recommendations from the previous year.

The audit & risk committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control processes. The audit & risk committee makes an annual report to the board. The board has received this report.

The board confirms that there is an ongoing process for identifying and managing significant risks faced by the organisation. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by the board.

Board members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which our auditors are unaware; and each board member has taken all the steps that they ought to have taken as a board member to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Governance**

We have an objective to ensure that we comply with regulatory and statutory codes and standards for good governance. We believe that strong governance is at the heart of our ability to provide high quality, efficient services in an open and accountable way. Our human resources & governance committee reports directly to the board.

In addition to attending these committees, board members attend working groups to consider matters such as pensions or the budget, and can then lead subsequent discussions at board meetings.

Board members are elected for a three year term at the annual general meeting, one third retiring by rotation each year. Two members retired during the last year and two new board members were appointed maintaining the number on the board at ten. The board reviews its operation and performance annually. It identifies the skills it requires in order to fulfil its responsibilities and recruits new members with the requisite skills and experience.

Three members will be retiring at the forthcoming annual general meeting and it is proposed to appoint three new members at that meeting. The chair is one of the members retiring and the board has already selected a replacement chair from its membership.

The board is confident that its governance arrangements continue to be strengthened through the work of the human resources & governance committee throughout the year. The board's standing orders have been reviewed. This review included the code of conduct for board members, the role of the chairs of the board and committees and of board members, and the terms of reference of the senior management team.

## TWO SAINTS LIMITED

### BOARD REPORT

We are committed to upholding the National Housing Federation's Excellence in Standards of Conduct and maintaining high standards of business probity. All board members sign a declaration of interest form annually.

The board confirms that they comply with the principles and guidelines in the National Housing Federation's 2015 Code of Governance.

The board confirms that they comply with the Homes & Communities Agency's governance and financial viability standard.

In 2015/16 the board held two away days to consider the future strategic direction of the organisation.

The board remains non-executive in its function and is responsible for the organisation's overall direction and strategy. Board members are listed on page 3. They have no beneficial interests in the organisation's share capital.

Operational responsibility is delegated to the chief executive who also advises the board on strategic issues. The chief executive has no beneficial interests in the organisation's share capital.

Members of committees are selected from the board. The audit & risk committee is responsible for internal and external audit issues and risk management. The human resources & governance committee is responsible for determining the terms of reference for all committees, succession planning and skills audit, along with advising the board on employment and salary policy and the remuneration of the senior management team.

Accountability to clients is important for us and work has taken place during the year to strengthen the involvement of clients in the quality and development of services, as well as the development and review of policies and procedures.

The service excellence group has membership drawn from board members, staff and clients and has reporting links to the board. Its role is to scrutinise the quality of services to our clients, to develop best practice and to provide a link between clients and the governance structure.

In addition:

- clients run an independent client quality assessment panel (known as the client scrutiny and involvement team) and managers are charged with implementing service improvement recommendations arising from their reports
- The client scrutiny and involvement team review the quality of our accommodation and contribute to our future strategy.

In addition the client scrutiny and involvement team reports directly to the service excellence group and to fellow clients in our services. Clients who meet regularly to assess service provision receive a performance report from these teams and from the chief executive at the twice yearly clients' Big Get Together.

#### **Fraud**

There are anti-fraud and anti-bribery policies in place. Fraud is an item on each audit & risk committee meeting agenda and any instances of fraud or theft are reported to the board.

#### **Auditors**

Nexia Smith & Williamson are deemed to be re-appointed as auditors.

#### **Principal activities**

We provide high quality housing, support and learning services for people who are homeless, or at risk of homelessness, and require help to enable them to live as independent and fulfilling lives as possible. We provide this help to our tenants, residents and clients through the provision of direct access hostel accommodation, resettlement services, floating support services and specialist substance misuse, ex-offender and education and training services. We also provide training in a workshop environment for our clients.

# TWO SAINTS LIMITED

## BOARD REPORT

### Review of the business

The board has seen many challenges including the restructuring of some of our services in response to local authority re-commissioning and the government's public sector spending cutbacks. The board and senior management team have focussed attention on financial viability, value for money and service quality.

The provision of employment, education and training activities for clients continues at our services and at our workshop in Southampton where spaces are let to social businesses who involve clients in their activities, and provide maintenance services at the workshop.

Our private leasing service, which secures leases from private landlords and lets the accommodation as 'move on' for our clients, is under review. At the year end there were 74 leases in management.

The board has no concerns in maintaining the requirements of the government's rent restructuring regime and decent homes standard.

### Results for the year

The financial results show an operating surplus for the year of £396k (2015: £284k). Turnover (income) for the year fell to £9.1 million (2015: £9.7 million) of which £3.9 million came from supported housing letting activities and £4.5 million from the provision of support. The balance of income was from non-social housing activities.

It is good to see the increase in the operating surplus achieved despite the reduction in our turnover which is partly due to the scaling back of our private leasing activity and partly due to reductions in the funding available to support our clients. We have developed the use of lean thinking in the year to gain efficiencies and reduce our overheads.

Despite the financial pressures on the work we do, and together with the need to stay competitive and efficient, our finances remain fundamentally strong, with a healthy balance sheet able to support our activities.

This year the introduction of the new accounting standard (Financial Reporting Standard) FRS 102, detailed in Notes 1 and 22 of our accounting policies, have affected the results shown in our statutory accounts. We are now required to recognise a liability measured as the present value of the agreed deficit contributions payable to the social housing pension scheme (SHPS) that arise from a deficit recovery agreement. A charge arising from an increase in this liability is shown in the income and expenditure account. Previously only contributions made to the scheme were required to be shown in our accounts. We no longer operate the defined benefit scheme that incurred this deficit.

This charge has turned our operating surplus of £396k into a deficit of £330k.

As a not-for-profit organisation, our primary business objective is to provide homes and services to people in need. We seek to generate sufficient income to meet our ongoing operating costs, to maintain all of our properties in good condition, and to contribute to our reserves, in order to reinvest in the business. We are committed to setting rents and charges at affordable levels and contract prices that offer value for money to service commissioners.

During the year we purchased five properties from other registered providers. Four of these were already managed by us and the fifth is used as an office by our staff.

### Future developments

There continues to be considerable pressure on commissioners' budgets in all of our operating areas. During the year we were successful in bids for both new and existing work, through successful tenders and by negotiation with commissioners.

Some of our existing contracts will be put out to tender in 2017/18 and we will be offering competitively priced bids for our services, based on efficiency, value for money and well constructed service models. We are seeking opportunities to develop our business, where possible reducing our dependence upon housing support contract funding.

### Surpluses and reserves

The generation of modest surpluses is a key element of our financial strategy, in order to demonstrate our financial stability and to cover unforeseen events.

# TWO SAINTS LIMITED

## BOARD REPORT

Reserves are internally generated resources invested in our assets, in particular our housing stock. Movements in reserves are set out in a note to the financial statements.

### **Employees**

At the year-end we had a complement of 165 staff (2015: 184 staff). We are committed to the principles and practice of diversity and seek to give equality of opportunity to all staff in all matters of recruitment and employment. The effective training and development of all staff is a key objective.

### **Value for money self assessment**

We are committed to providing value for money for all of our clients, and we seek to continuously improve. This assessment is aimed at clients, staff, stakeholders and board members. It sets out how we have achieved value for money and looks at past performance and our aims for the future.

We look to obtain the maximum benefit from the goods and services that we acquire, with the resources available. We not only measure the costs of goods and services, but also take into account the views of staff, clients and commissioners, and the quality of the services or goods being provided. Our commissioners can make value for money judgements either through strategic reviews or by the tendering process which examines the quality and outcomes for clients as well as the costs.

As a not-for-profit organisation, any surplus we generate goes straight back into providing services for the benefit of our clients, or into reserves for future investment. We constantly monitor, manage and review our expenditure and systems to ensure we are getting value for money.

### **Value for money strategy**

Our value for money strategy is reviewed annually. It was last reviewed and updated in April 2016. It aims to establish a culture whereby board members, staff and contractors will all ask themselves: "If I decide to incur this cost, how will it benefit our clients", because within our organisation, clients are at the heart of everything we do. It acknowledges that opportunities for efficiency come through maximising the use of our assets to deliver social, environmental and financial returns together with effective procurement, rationalisation, simplification and self-regulation.

### **Why value for money is important to Two Saints**

We are committed to achieving value for money for the following reasons:

1. It will help us achieve our vision "To give people who are homeless, vulnerable or in need of support, the opportunity to build a brighter future".
2. It is in line with our value "quality, efficiency and value for money".
3. It also makes good business sense for us to provide the highest quality service to clients with the limited resources that we have available.

### **Value for money and our business**

#### **How we manage and monitor value for money**

We consider that success in value for money is inseparable from success in an organisation achieving its overall objectives. We see the setting of the business plan, the allocation of resources and monitoring and managing delivery of our aims and objectives, as all linking to managing value for money. This emphasises the need for value for money to be embedded within our organisation.

Our board provides a clear lead on value for money. It sets the strategic direction and our objectives. It oversees performance against objectives and holds the executive to account. The business plan is central to both the value for money strategy and our procurement strategy.



# TWO SAINTS LIMITED

## BOARD REPORT

The key areas of managing and monitoring value for money are as follows:

- An annual cycle of board review of the business plan objectives
- The approval of an annual budget, three year business plan and allocation of resources to achieve our key aims
- Monthly management accounts, with budget holders reporting on all variances greater than 5% of budget
- Monthly key performance indicators
- Quarterly reporting on client outcomes
- All our tenders and grant bids are scrutinised to ensure we offer value, including social value, to local authority procurement teams
- Our partner housing benefit departments examine our rent and service charges at each rent review, with rents reviewed in line with regulatory guidelines
- Scrutiny of our services and performance by our client scrutiny and involvement team. They carry out bi-annual assessments and develop improvement action plans for each of our services and are consulted on policy and procedural changes. Their reports, which include efficiency savings, are considered by our board.
- Use of professional advisors to support procurement and other efficiency improvements
- Clear process for managing and monitoring contractors
- Periodic reviews of areas of services; in the last year we have reviewed the costs and service delivery of the following:
  - Service level staff structures
  - Head office staff reorganisation
  - Mobile phone contract
  - Upgrade of our information and communications technology infrastructure and change of support provider

### **How we did**

#### ***Return on assets***

#### ***Asset management***

We updated our asset management strategy with a particular focus on making sure that our asset register is fully up to date. In devising our strategy we recognise the need to not only look at the physical structure of the properties we manage, but also to take account of the social and demographic context in which we operate. The strategy has been drawn up in order to ensure that our property portfolio continues to meet the needs and standards required by our clients in the most efficient and cost effective way, both now and in the future. We ensure that the properties we own and manage are in good condition, in the right location and of a design that is fit for purpose.

We acquired five properties from other registered providers, four of which we already provided housing support to clients in and the fifth was an office used by our staff. This gave us greater control over the buildings and meant we no longer had to pay rent. Payback from these purchases will be achieved within ten years.

Overall, the general physical condition of our accommodation is considered good, with no repair backlog, and the performance of our assets is more than satisfactory as is evidenced by the low void levels.

#### ***Stock condition***

Savills Property Surveyors carried out a stock condition survey for us, which informs planned maintenance forecasts.

#### ***Rents***

We maximised the return on our assets increasing rents within our housing stock by increasing rents by the Consumer Price Index plus 1% with effect from April 2016. Our service charges increase in line with increases in the cost of provision of services to our clients.

# TWO SAINTS LIMITED

## BOARD REPORT

### **Procurement**

Our procurement activity is underpinned by high standards of probity and is based on the use of modern, best practice procurement thinking, ensuring that our procurement activities achieve value for money. Our procurement policy clearly sets out future procurement activity based on best practice and embedding value for money principles. We ensure our requirements are well considered, and information about the market place is sought by benchmarking against similar buyers or consortia as appropriate. Quality is assessed alongside cost, and project-specific evaluation criteria that reflect this are established as appropriate. Contracts are awarded on the basis of the most economically advantageous quote or tender, which satisfies our quality requirements.

#### **Value for money achievement**

- We tendered for information technology support and a major infrastructure upgrade. The project was successful and a new service provider took over delivery of support from September 2015. The upgraded infrastructure enabled increased performance across all our services with staff benefitting from online training with video and sound, meaning that, for a lot of courses, staff no longer need to take time out from services to attend training
- We are talking to organisations whose buildings we use but don't own with a view to possibly purchasing them in order to have greater control over the building, reduce our overhead costs and allow us to create efficiencies within the services. During 2015/16 we purchased five properties from other registered providers. In all cases, payback from rentals payable was within ten years
- We tendered our mobile phone contract resulting in a change of provider and upgraded equipment at the most advantageous price

### **Retaining existing services and new business**

During the year we submitted seventeen tenders and two grant applications. Of the seventeen tenders submitted six involved existing business. We were successful in eight of these, and of the six that involved existing business we retained four contracts. In all tenders we are being driven down on costs and are seeking to ensure that the commissioners will see value for money being demonstrated in the service specification presented in each tender.

#### **Value for money achievement**

- We were successful in our tender for the Hampshire services, consisting of 129 accommodation based support units and 930 community support units
- We are successfully working in partnership with three organisations to deliver two of our Hampshire contracts
- We were successful in our submission for the West Sussex "Landlord First" service, a pilot and new business in this area
- We have submitted tenders as a partner with another organisation

### **Budgeting**

The budget process is key to driving savings in the business. Meetings are held with budget holders where their budgets are challenged on costs. We monitor value for money when setting budgets, when re-tendering for existing services and developing new business. Every new service is required to contribute to central overheads and contribute to our surplus.

Summary of budgetary expenditure vs. actual for past 3 years:

	2015/16 £'000's	2014/15 £'000's	2013/14 £'000's
Budgeted expenses	£9,194	£9,725	£9,260
Actual expenses	£8,731	£9,600	£9,154
Variance	£463	£125	£106

We achieved a significant reduction in expenditure in 2015-16, which allowed us to bring forward an additional £70k of planned maintenance into 2015/16.

# TWO SAINTS LIMITED

## BOARD REPORT

Our current budget for 2016/17 addresses the risks associated with the reduction in funding available from commissioners, together with welfare reform changes, and drives economies throughout the organisation. Our aim is to make a small surplus to strengthen our balance sheet and achieve our objectives.

### **Our performance**

Monitoring financial and performance information is essential in ensuring that value for money is achieved and sustained. Management information is reviewed on a regular basis throughout the organisation using a suite of key performance indicators. There is an expectation that in delivering efficiency savings and demonstrating value for money, service levels will either improve or be maintained.

Reviews in key areas of our financial structure, including an organisational review carried out in 2013, have led to considerable staff efficiencies and savings. This can be seen from the increase in our operating margin in 2015/16, despite a reduction in turnover. The reduced margin last year is partly due to the additional planned maintenance brought forward and also influenced by some additional expenditure in connection with our private leasing service which we are reviewing and refining in order to ensure it is contributing to the organisation. This year our increase in operating margin is mainly due to restructuring staffing levels following renegotiation of contracts, and a reduction in the activities of the private leasing service.

	2015/16 £'000's	2014/15 £'000's	2013/14 £'000's
Turnover	£9,094	£9,675	£9,544
Operating surplus	£396	£75	£390
Operating margin	4.35%	0.78%	4.09%

Comparisons of the performance of significant areas of cost indicate that Two Saints' strategy towards achieving value for money is positive. There are areas, however, which the organisation could improve upon and in 2016/17 we will continue using "lean thinking" to achieve increased efficiencies and free up capacity within the organisation.

During the year Two Saints has used 'lean thinking' to improve efficiencies within two areas of operation:

#### **Lean process clients' journey in the assessment service at our Southampton hostel**

Purpose – To improve the process and quality of support provided to clients during their stay in the assessment service, eliminating unnecessary waste and reducing necessary waste to enhance the clients' experience and increase the chances of achieving positive move on.

Outcomes – A client's journey through the assessment service has been stripped down and a lean structure has been put in place. Staff stopped doing tasks that were unnecessary, which has freed up their time to focus on quality support for their clients and more effectively manage their time. We developed new processes which smoothed referral pathways for clients and a meeting was held with the referral agency, in which expectations were made clear how their input is important to improve the process and clients' journey in the service. All staff were trained in the new process and staff adopted a new approach which has improved clients' engagement. Clients now have better understanding of the expectations we have of them. We have significantly reduced the amount of printing thus reducing the amount of paper produced which is value for money and good for the environment. The team trust lean thinking and have been actively involved in learning various processes to improve the service further.

#### **Lean process review of attendance recording and payroll management**

Purpose – To improve the process and efficiency of the attendance recording and processing of payroll information within the organisation

Outcomes – The process of our staffs' attendance and payroll information gathering was broken down and reviewed to identify where improvements could be most efficiently made both at a service level and within head office. The core information for payroll purposes was identified and changes were made to reduce duplications and make all the stages within the process more efficient. By using the improvements within the enhanced information technology infrastructure we have reduced the need to print any of the attendance information. Other human resources information to payroll is now provided by our human resources information system, Cascade, or by use of one spreadsheet now used by payroll to calculate staff pay. The intention is to further review the attendance and payroll management process this coming year to see if further efficiencies can be made.

## TWO SAINTS LIMITED

### BOARD REPORT

Full accountability is required where budget holders fail to contain costs within their budgets. This is achieved by monthly reporting against management accounts' figures. The senior management team review financial performance at their monthly meetings and the board reviews it quarterly.

#### Comparison of costs over the past 3 years

	2015-16 £000's	2014-15 £000's	2013-14 £000's	Performance	
				14/15 to 15/16	13/14 to 14/15
Planned maintenance	£255	£336	£215	↑	↓
Reactive maintenance	£158	£127	£149	↓	↑
Salary costs (including agency cover)	£5,013	£5,173	£5,116	↑	↓
Light and heat	£188	£214	£220	↑	↑
Catering costs	£538	£569	£573	↑	↑
Information and communications technology costs	£288	£192	£178	↓	↓

A close watch is kept on maintenance costs but bearing in mind the increased vulnerability of some of our clients, we believe it is important to maintain our properties to a good standard.







Salary costs do depend, to a certain extent, on the number of contracts and services we run. This year we have had to restructure staffing provision at some of our services to make efficiencies, so our staff force has decreased along with the cost. Information technology costs have increased as we have had to invest to replace all the existing hardware and network infrastructure to enable all our staff to meet the performance and security requirements being required by our stakeholders. We are getting better value from the equipment and facilities installed and are looking to develop tools that the new infrastructure will allow us to do to enhance staff performance and utilisation. We have an ongoing programme of investment linked to the information systems strategy to achieve efficiencies in its use and ensuring that all our mobile workers have the equipment and systems they need.

#### Comparison of key performance indicators over the past 3 years

	2015-16 £000's	2014-15 £000's	2013-14 £000's	Performance	
				2014/15 to 15/16	2013/14 to 14/15
Rooms available	99.7%	99.7%	99.6%	↔	↑
Rooms occupied	97.5%	97.5%	98.3%	↔	↓
Voids as a % of available units	3.9%	2.5%	1.7%	↓	↓
Current arrears as a % of annual rent roll	5.2%	4.2%	4.5%	↓	↑

## TWO SAINTS LIMITED

### BOARD REPORT

	2015-16 £000's	2014-15 £000's	2013-14 £000's	Performance	
				2014/15 to 15/16	2013/14 to 14/15
% repairs completed in target time	100%	99.8%	97%		
Staff turnover – voluntary leavers	27.8%	28.8%	25.8%		
% of working days lost through sickness per employee	2.3%	2.9%	2.6%		

Void performance worsened although occupancy levels are still high. Our aim is to fill voids on the day of a client's departure. This high level of occupancy supports our aim to make optimum use of our assets and to gain the greatest return from them. Void levels deteriorated in Portsmouth due to contracts where we do not support the clients ourselves and another organisation manages referrals. We are changing our service level agreements from October so that responsibility for voids is shared with the service provider. Rent arrears are receiving close attention and managers are given specific objectives to reduce them and these are monitored through their supervision process, but we are now experiencing clients being affected by the welfare changes and finding it increasingly difficult to move on. Repairs performance remains excellent. Staff turnover remained high due to the number of contracts that were up for tender, increasing staff anxiety around their futures. The high number of tenders arising this year has also seen some staff leave voluntarily as they do not like the new working shift patterns that were required to meet contractual expectations. Sickness absence is still low.

#### ***Our performance – client satisfaction***

As part of our drive to continually improve services we seek feedback from clients through our annual client questionnaire. Clients' responses help to inform us as to where we need to make changes in our services. The outcomes from the client questionnaire carried out in January 2016 show the following:

- 92% of clients feel that their support plan reflects their goals and they receive support to achieve them
- 92% of clients say that their support worker has discussed move on and support options for the future
- 89% of clients feel the support they receive has helped them become a positive and independent person

Coombs Caterers, who provide catering at four of our services, also carry out periodic surveys independently about the quality of the food service they provide. 88% of clients feel that the weekly food offer represents value for money (65% for 2014/15). We work closely with our caterers and are looking at the food offer, but we are constrained by the funding available.

#### ***Our performance – staff satisfaction***

A comprehensive staff survey is carried out bi-annually. The most recent survey carried out in 2015 indicated that:

- 82% of staff are satisfied with their job (74% in 2013)
- 73% of staff believe that the quality of service to clients is improving (73% in 2014)
- 45% of staff feel their pay is reasonable in comparison with people doing similar jobs in other organisations (56% in 2014).

Pay is reviewed each year but due to continual decreasing in the funding available for our contracts, it becomes increasingly difficult to raise salary levels.

#### ***Social value***

As a not-for-profit organisation our entire purpose is to provide social value. Our clients are among the most excluded in society and our support is aimed at increasing their levels of community inclusion locally and nationally. The impact of this is augmented because we work with those clients that other providers refuse. Our work transforms lives and means that clients:



## TWO SAINTS LIMITED

### BOARD REPORT

- are able to live more independently, because they
  - gain skills for independent living, and
  - are enabled to make choices and take control of their lives
- are supported to reduce offending
- access meaningful activities in the community

We provided support and accommodation to 978 homeless clients during 2015/16

We provided support to 880 clients through floating support services during 2015/16















We provided accommodation and support to 246 clients through supported lodgings and our private leasing service in 2015/16

Through our support workers and specific community inclusion workers we support clients to access:

- sport and fitness facilities
- community organisations
- community IT provision and training
- cultural destinations
- creative opportunities

Wherever possible we take advantage of local, community-based provision, thus helping to secure local organisations and businesses as well as our clients building a community network which will help support their move-on into settled accommodation.

#### Comparison of client outcomes over past 3 years

% of clients achieving outcome	2015-16 £000's	2014-15 £000's	2013-14 £000's	Performance	
				2014/15 to 15/16	2013/14 to 14/15
Securing settled accommodation	82%	79%	77%		
Participating in work like activities	74%	64%	71%		
Achieving a qualification	62%	43%	45%		
Better managed physical health	95%	95%	92%		
Better managed mental health	88%	80%	81%		
Avoiding causing harm to others	81%	87%	75%		
Complying with statutory orders and processes in relation to offending behaviour	86%	78%	81%		

We work to deliver the very best outcomes for each individual client and to ensure we meet the requirements of our contracts, which we find more challenging with ever increasing support needs and very chaotic lives, but over the past year we have been focusing on improving our outcomes and providing value for money to our stakeholders.

# TWO SAINTS LIMITED

## BOARD REPORT

### **Employment**

Our commitment to equality and diversity forms part of our recruitment process and we are active in encouraging those with a background of homelessness or related issues (e.g. disabilities, ex-offenders etc) to apply to work with us, thus supporting individuals into work who may otherwise find it hard to secure employment.

We offer a 12 month traineeship for people with experience of homelessness who have progressed, have shown their abilities through volunteering and are ready for paid employment. We currently have ten trainees in place in various roles and services across the organisation.

### **Volunteering**

Volunteers enable us to provide better value for money to both our clients and our service commissioners. At the year end we had seven active volunteers. Three were in Southampton, two in Portsmouth and Fareham and two in Newbury.

Our Fresh Start programme aims, in partnership with our catering provider, to give our clients the chance to undertake internal work placements.

We have been working with local and national based businesses to provide additional resources in our services. Some of the businesses have donated funding or clothing and some have offered their time to paint our smaller hostels and provide support to our day centre. These include Asda, Mitie and Johnstone's Paint.

#### **Value for money achievements**

- Utilising volunteers within the organisation during 2015-16, which worked out at over 1,220 hours and saved the organisation £11,156
- Secured over £13k in grants and donations from local businesses

### **Wider community**

Homelessness does not only impact on individual lives but also local communities. Rough sleeping can have a negative impact on community safety due to anti-social behaviour and substance misuse, and thus can become a barrier to businesses and decrease resident satisfaction. It has been quoted in Homeless Link's 'The Value of the Homelessness Sector' that on average each homeless person costs the public purse between £8,605 and £35,000 a year through arrests, emergency health and social care services alone. Therefore the services which we, and other similar providers, offer to prevent homelessness and provide accommodation also benefit local communities. The same research also estimated that there is a £2.13 payback for every £1 of public money invested.

#### **Value for money achievements**

**Emergency beds** - We provide e-beds which homeless people can access in an emergency when there is no other accommodation available. If we couldn't provide these beds then it is more than likely the individuals accessing them would have slept rough. Therefore our emergency bed provision helps benefit both the individuals using them as well as the wider community.

- We provided emergency beds in Fareham, Southampton, Test Valley and West Berkshire
- 5227 emergency bed nights were provided to homeless people in 2015/16

#### **Value for money achievements**

**Safer communities' service** – this is a stage 4 resettlement service providing housing and resettlement support to 11 high risk offenders, leading to a reduction of further offending taking place. Without stable accommodation it is difficult for individuals to maintain employment, maintain or establish new relationships or access services such as banks and doctors. Rough sleeping can have a negative impact on community safety, present a danger to the public, be a barrier to business and increase rates of anti-social behaviour.

This service supports clients to:

- provide safe accommodation; removing hazards of rough sleeping, associated anti-social behaviour and offending
- access primary healthcare rather than expensive acute services
- access alcohol & mental health services reducing hospital admissions

## TWO SAINTS LIMITED

### BOARD REPORT

- overcome substantial barriers to joining the employment market, such as lack of self esteem, social anxiety or physical illness
- access training, volunteering or employment
- be contributing members of society

'Safer communities' is funded by Portsmouth City Council and helps with the prevention of associated costs including from the 'Survey of Needs and Provision Report' published by Homeless Link -homeless assessments £387 (average per visit), arrests £1,668 (average per arrest), visits to accident and emergency departments £147 (average per visit) and taken from 'National Offenders Management Service Annual Report 2013/14' prison stays, which can cost the public purse between £30k and £34k. In 2015/16 Safer Communities supported 15 clients who came direct from prison or through interim approved premises.

The service has successfully resettled 4 of these clients within the local community without the need for continued support.

#### **Outreach services**

The Fareham, Gosport & Havant homeless outreach service works closely with a range of homeless clients, assessing their needs and ensuring the best results for them by challenging and encouraging them to make the move from the streets and/or street lifestyles. The outreach team focus on innovation and quality, reaching out to clients who are sometimes heavily entrenched in street life. Clients are supported in all areas of their lives to engage with services and stabilise what at times, can be a very chaotic lifestyle.

This service has in the past year:

- supported 14 street homeless clients into private accommodation with financial support and working in partnership with other agencies including the local council and voluntary groups
- supported 9 street homeless clients to return to their area of local connection
- supported 23 street homeless clients into either hostel, supported, local authority or ex forces accommodation – and there are a further 36 clients on the local borough's council housing lists – and of the 23 clients, 7 have since moved on into independent living within the community
- 9 clients were registered with a doctors practice, and 12 were linked into specialist drug and alcohol services; 6 referrals were made to mental health support agencies all reducing the impact on the public purse as they are now have access to medication and have reduced their hospital visits.

Using the average costs researched and published in the 'Survey of Needs and Provision Report' by Homeless Link - Homeless Assessments, it is estimated that this service has saved the public purse in excess of £960k.

#### **Environment**

We are always seeking to reduce our impact on the environment. Our new interactive intranet, the 'font', now provides more facilities to complete forms on line, submitted by email or using processes within the 'font'. These forms can then be stored electronically saving the need to print any documents. Staff scan and email documentation rather than using the post. We also encourage paper free meetings, utilising access to the intranet and using projectors to display material during meetings rather than printing documents in support of agenda items.

We are planning to introduce mobile working facilities, allowing staff to minimise the distances travelled and the need to print support plans and other documentation on visits within the community.

This enhances our staffs' ability to provide better support to clients alongside interactive forums and information sharing.

#### **Two Saints Enterprises**

Over the past few years we have redeveloped our old workshops in Southampton and have transformed the building into a fully functional social enterprise centre, located behind our Southampton hostel. Our clients can engage in our internal training programmes, which we have created in partnership with local businesses in the Southampton area. We offer our clients and other disadvantaged groups the chance to take part in a series of training opportunities which include:

- basic carpentry, maintenance, painting & decorating
- furniture making, graphic design and sign writing, picture framing



# TWO SAINTS LIMITED

## BOARD REPORT

Part of the new enterprise centre is our fully functional conference, training and meeting room. This has been used for training, meetings, client involvement sessions, stakeholder events and for local community activities.

### **Value for money achievements**

**Two Saints Enterprises** - generated an income of £40k, which has helped contribute to the day to day running of the enterprise centre and enabled us to employ a learning and enterprise coordinator on a full time contract to help the organisation meet its client involvement strategy.

Two Saints Enterprises have during the past year delivered our SMART move initiative across all our services, meeting and exceeding the target of involving at least 25% of our clients by a further 10%.

### **National Citizen Service**

Over the past two years Two Saints Enterprises have been successfully working in partnership with Mountbatten School's Personal Best in Education service, now based in Eastleigh, to deliver the Phase 3 National Citizen Service programme to 16 and 17 year old students. This has been a great success and a way of raising the students' awareness of homelessness and the issues the young people could face at some point in their lives.

### **Value for money achievements**

- We have supported over 3,300 young people since the programme started to develop new skills and to understand the outcomes we deliver in our homelessness services
- We have generated additional income to support and promote small local enterprises and businesses in the Southampton area
- We received over £3,000 of donated items and vouchers in 2015/16 as a result of this project, enabling us to provide move on packs to clients and support clients with items such as interview clothes.

### **Future challenges and aspirations**

Reductions in government funding and welfare reform changes will have an effect on our costs and service models.

*What will we do?*

- Seek funding from other sources to maintain existing services and develop new and allied services including health, offending and substance misuse
- Closer management of the collection of accommodation charges and arrears throughout 2016/17 to maintain arrears at or below the level at 31 March 2016
- Regularly report to our board on contract compliance and review financial and operational performance of new contracts after six months
- Continue to consider purchasing buildings if support income is available and this is financially viable
- Further develop our homelessness day centre in Southampton in order to sustain the ongoing service
- Submit tenders for existing and new services in line with our strategic plan having regard to available funding and the safety of our clients and staff
- We will continue to explore partnership working with other organisations
- We will continue developing a suite of products for clients which link to our brand story. They are split into two areas:
  - My Journey – is our central product, it relates to our Harmonia recording tool and starts the moment we come into contact with an applicant and finishes when a client has ended their support journey with us
  - Our Offer to..... – provides an overview to commissioners about what our offer is for particular client groups. It reflects our history and the types of services that we offer
- Two Saints Enterprises will:
  - deliver existing contracts and expand our National Citizen Service offer during 2016/17
  - deliver our SMART move initiative across all our services to at least 25% of our clients
  - develop further partnerships with local businesses to source further funding and resources for our services

## TWO SAINTS LIMITED

### BOARD REPORT

#### *Reporting*

In 2015/16 we further developed our suite of reporting tools. Through a product called Qlikview we can now report on both our housing and support system and our human resources system. This has shown us where data is not complete or up to date and allowed us to correct this and produce complete, accurate and timely reports for management.

Following a restructure of our accounting cost codes we have improved financial reporting now enabling us to report on contracts rather than individual buildings or services, although the detailed reports are still available if needed.

#### *Conclusion*

Value for money is embedded in our ethos and we are committed to providing value for money for our clients, commissioners, stakeholders and the wider community. This is reflected throughout our structures to ensure strong governance, internal assurance, risk management and transparent monitoring and reporting.

However we are not complacent and will be monitoring progress of all our value for money initiatives this coming year with the aim of developing reporting further efficiencies in our self-assessment next year.

The board believes this self-assessment demonstrates to clients, commissioners, stakeholders and the wider community that we meet the required outcomes and expectations of the Homes & Communities Agency's Value for Money standard.

By order of the board



Michael McKenzie

Chair

Date:



## TWO SAINTS LIMITED

### REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TWO SAINTS LIMITED

We have audited the financial statements of Two Saints Limited for the year ended 31 March 2016 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK & Republic of Ireland".

This report is made solely to the association's members, as a body, in accordance with the requirements of statute. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 the board and the auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 4, the board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

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

#### Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the association's affairs as at 31 March 2016 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

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

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- A satisfactory system of control over transactions has not been maintained; or
- The association has not kept proper accounting records; or
- The financial statements are not in agreement with the books of account; or
- We have not received all the information and explanations we need for our audit.

*Nexia Smith & Williamson*

**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

Imperial House  
18-21 Kings Park Road  
Southampton  
SO15 2AT

Date 24.8.16

**TWO SAINTS LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £'000s	2015 £'000s
<b>Turnover</b>	2	9,094	9,753
<b>Operating costs</b>		<u>(8,698)</u>	<u>(9,469)</u>
<b>Operating surplus</b>	3	396	284
Pension scheme re-measurement	14	(720)	(90)
Interest receivable and similar income		27	30
Interest payable and similar charges		<u>(33)</u>	<u>(54)</u>
<b>(Deficit)/surplus on ordinary activities for the year</b>		<u>(330)</u>	<u>170</u>
Retained earnings at the beginning of the year		2,857	2,687
(Deficit)/surplus for the year		<u>(330)</u>	<u>170</u>
<b>Retained earnings at the end of the year</b>		<u>2,527</u>	<u>2,857</u>

All of the above results derive from the continuing operations of the association. There are no recognised surpluses or deficits other than those included above.

£

TWO SAINTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	2016 £'000s	2015 £'000s
<b>Fixed assets</b>			
Housing properties	4	9,772	8,925
Other fixed assets	4	87	68
		<u>9,859</u>	<u>8,993</u>
<b>Current assets</b>			
Debtors	6	603	965
Cash at bank and in hand		2,763	3,370
		<u>3,366</u>	<u>4,335</u>
<b>Creditors</b>			
Amounts falling due within one year	7	(1,312)	(1,395)
<b>Net current assets</b>		<u>2,054</u>	<u>2,940</u>
<b>Total assets less current liabilities</b>		11,913	11,933
<b>Creditors: amount falling due after one year</b>	8	(6,854)	(6,950)
<b>Provision for liabilities and charges</b>	9	(2,532)	(2,126)
<b>Net assets</b>		<u>2,527</u>	<u>2,857</u>
<b>Represented by:</b>			
<b>Capital and reserves</b>			
Non-equity share capital	10	-	-
Revenue reserve		2,527	2,857
		<u>2,527</u>	<u>2,857</u>

The financial statements on pages 20-39 were approved and authorised by the board on 16 August 2016 and were signed on its behalf by:



Michael McKenzie  
Chair



Andrew Cobb  
Board member



Steve Benson  
Secretary

TWO SAINTS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £'000s	2015 £'000s
<b>Net cash generated from operating activities</b>	I	156	308
<b>Cash flow from investing activities</b>			
Acquisition, construction and works to housing properties		(1,169)	(818)
Grants received		330	75
Purchase of other assets		(76)	(55)
Interest received		27	30
Proceeds from sale of properties		139	-
		<u>(749)</u>	<u>(768)</u>
<b>Net cash (used) in investing activities</b>			
<b>Cash flow from financing activities</b>			
Repayment of HP/finance debt		(14)	(14)
		<u>(14)</u>	<u>(14)</u>
<b>Net cash generated/used in financing activities</b>			
<b>(Decrease) in cash and cash equivalents</b>		(607)	(478)
Cash and cash equivalents at beginning of year	I	3,370	3,848
		<u>2,763</u>	<u>3,370</u>
Cash and cash equivalents at end of year			

TWO SAINTS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2016 £'000s	2015 £'000s
<b>I : Reconciliation of operating surplus to net cash inflow from operating activities</b>		
Operating surplus for the year	396	284
Depreciation	284	262
Amortisation of government grants	(82)	(78)
Decrease in debtors	32	1
Increase in creditors	(83)	(127)
Surplus on the sale of fixed assets	(44)	1
Increase in provisions	(347)	(39)
<b>Net cash generated from operating activities</b>	<u>156</u>	<u>304</u>
<b>Cash and cash equivalents</b>	2016 £'000s	2015 £'000s
Cash at bank and in hand	<u>2,763</u>	<u>3,370</u>

## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### I. PRINCIPAL ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements have been prepared in accordance with UK Generally Accepted Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. These financial statements are prepared under the historical cost convention.

These financial statements are the first annual financial statements of the association in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The first date at which FRS 102 was applied was 1 April 2014. In accordance with FRS 102 the association has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Further information about the transition to FRS 102 can be found in note 22. The association meets the definition of a public benefit entity under FRS 102.

These financial statements exclude the results of the wholly owned subsidiary, The Society of St Dismas, on the grounds of immateriality.

The principal accounting policies of the association are set out below.

##### **Significant judgements and estimates**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

##### **Significant management judgements and estimation uncertainty**

##### **Arrears and other debtor recoverability**

The rent arrears balances of £361k recorded in the association's statement of financial position comprise a relatively large number of small balances. A full line by line review of rent arrears is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Because of the nature of the clients we house, most of the rent debts are settled directly by Housing Benefit and thus do not incur problem debts. In relation to debt due directly from tenants, we review the debtors ledger each month for any debt we might consider doubtful. Because of the supported housing nature of our business, we have a good knowledge of each and every client and can make judgements concerning the likelihood or otherwise of collecting any non-current debt. We identify any specific problem rent debts and categorise them as high risk, in which case we provide 100% of the debt. Former tenant debts are included in this category as experience tells us these are very difficult to recover. Specific provision is made for clients in our private leasing scheme. No provision is made for the balance of current tenant rent debtors as they are deemed recoverable.

##### **Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.



## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### Turnover

Turnover represents rental and service charges income in respect of the year net of rent and service charge losses from voids, housing support contract income, revenue grants from local authorities and the Homes and Communities Agency, grants received for housing properties recognised in income on a systematic basis and other income.

#### Operating surplus

Operating surplus is the surplus generated from our operations and excludes interest and pension remeasurement.

#### Contracts for housing support

Income and expenditure relating to housing support contracts at our services is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with the relevant standards and legislation.

#### Fixed assets and depreciation

##### Housing properties

Housing properties are principally properties available for rent.

The cost of properties is their purchase price and construction costs together with capitalised repairs and incidental costs of acquisition and construction directly attributable to property, including interest payable during the period of construction.

Housing properties in the course of construction are stated at cost and are transferred into housing properties when completed.

Expenditure on schemes that are subsequently aborted is written off in the year in which it is recognised that the scheme will not be completed.

Completed housing properties have been split between their land and structure costs and a specific set of major components that require periodic replacement.

Refurbishment or replacement of such a component is capitalised and then depreciated over the estimated useful life of the component as follows:

Structure	100 years	Boilers	15 years
Kitchen – domestic	10 years	Heating system (excluding boiler)	30 years
Kitchen – commercial	15 years	Windows and door	20 years
Bathrooms	15 years	Roofs	40 years
		Electrical systems	40 years

Improvements are works to existing properties which result in an increase in the net rental income, including a reduction in maintenance costs, or result in a significant extension of the useful economic life of the property.

Leasehold offices, land and buildings are amortised over the period of the leases. Freehold land is not depreciated.

Other tangible assets are stated at cost. Depreciation is charged on a straight-line basis over the expected useful economic lives of the assets as follows:

Office and computer equipment	3 years
Infrastructure information technology equipment	5 years
Motor vehicles	5 years

The useful economic lives of all tangible fixed assets are reviewed annually.

Our policy is not to capitalise assets with a value of less than £1,000.

## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### **Impairment**

Reviews for impairment of housing properties are carried out when an indicator of impairment arises and any impairment in an income generating unit is recognised by a charge to the Income Statement. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. An income generating unit could be a single property, but it is normally a group of properties whose income and expenditure can be separately identified.

During the year the government announced a change in rent policy which would have resulted in a material impact on the net income expected to be collected in the future for housing properties, however this has been deferred in respect of supported housing properties and a review is being carried out which could result in it not being imposed for them. As all our properties house clients in need of support we have assessed that this does not represent a trigger for impairment review.

Our properties carry very low void levels and we do not consider this to be a trigger for impairment review.

#### **Donated land**

Donated land and buildings which are unconnected with any intended development are measured at current value on the date received.

#### **Social housing grant**

Government grants include grants receivable from the Homes & Communities Agency, local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure on a pro rata basis under the accrual model. The unamortised element of the government grant is recognised as deferred capital grant in creditors.

Social housing grant received for items of cost written off in the Income Statement are matched against those costs as part of turnover.

Social housing grant can be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the grant can be used for projects approved by the Homes and Communities Agency. However, grant may have to be repaid if certain conditions are not met.

In certain circumstances, grant may be repayable, and, in that event, is a subordinated unsecured repayable debt.

#### **Dilapidations**

Provision is made for all dilapidations on leasehold properties where Two Saints has a contractual obligation to bear these costs. Movement on the provision is included in the expense headings to which the provision relates.

#### **Leased assets**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the leased asset to the association. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to income and expenditure on a straight line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### Retirement benefits

Two Saints participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted out of the State Pension scheme.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 102 (Section 28) represents the employer contribution payable.

Contributions payable from the association under the terms of its funding agreement for past deficits are recognised as a provision in the Statement of Financial Position.

#### Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the association becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the association will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the association's cash management.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus of deficit.

£

**TWO SAINTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**2. SOCIAL HOUSING INCOME AND EXPENDITURE**

	2016 £000s	2015 £000s
Rents receivable net of identifiable service charges	2,298	2,637
Service charge income	1,576	1,546
Revenue, capital grants, contract and other income	4,533	5,018
	8,407	9,201
Total income from lettings		
Social housing activities expenditure	(8,149)	(9,117)
	258	84
Operating surplus from social housing activities		
Rent losses from voids	131	103

**3. SURPLUS FOR THE YEAR**

	2016 £000s	2015 £000s
Surplus for the year is stated after charging/(crediting):		
Auditor's remuneration including expenses, (excluding VAT)		
• in their capacity as auditors	12	12
• for other work	8	1
Depreciation and amortisation of housing properties	227	167
Depreciation of other fixed assets	57	95
(Profit)/Loss on disposal of fixed assets	(44)	1
Operating lease rentals	796	1,209

£

TWO SAINTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4. TANGIBLE FIXED ASSETS

	Housing properties for letting completed £000s	Non-social housing properties £000s	Housing properties sub total £000s	Office and other equipment £000s	Motor vehicles £000s	Other fixed assets sub total £000s	Total £000s
<b>Cost</b>							
Cost at start of the year	10,059	645	10,704	709	6	715	11,419
Additions	1,169	-	1,169	76	-	76	1,245
Disposals	(126)	-	(126)	(78)	-	(78)	(204)
At end of year	11,102	645	11,747	707	6	713	12,460
<b>Depreciation</b>							
Depreciation at start of the year	1,701	78	1,779	644	3	647	2,426
Charge for the year	215	12	227	56	1	57	284
Disposals	(31)	-	(31)	(78)	-	(78)	(109)
At end of year	1,885	90	1,975	622	4	626	2,601
<b>Net book value at end of the year</b>	<b>9,217</b>	<b>555</b>	<b>9,772</b>	<b>85</b>	<b>2</b>	<b>87</b>	<b>9,859</b>
Net book value at start of the year	8,358	567	8,925	65	3	68	8,993

The net book value of assets held under finance and HP leases amounted to £nil (2015: £23k)

**TWO SAINTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**4. TANGIBLE FIXED ASSETS (continued)**

**Housing properties (cost less depreciation) comprise:**

	2016 £000s	2015 £000s
Freehold	7,248	6,339
Long leasehold	2,524	2,586
	9,772	8,925
	9,772	8,925

**5. PROPERTY DISPOSAL**

	2016 £000s	2015 £000s
Sale proceeds	139	-
Less carrying value	(95)	-
	44	-
	44	-

**6. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £000s	2015 £000s
Rent arrears	361	455
Less provision for bad debt and doubtful debts	(148)	(250)
	213	205
Net rents due	213	205
Other debtors	193	540
Accrued income	5	53
Prepayments	192	167
	603	965
	603	965

**7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £000s	2015 £000s
Rent paid in advance	64	61
Trade creditors	31	93
Accruals	428	565
Social Security costs payable	130	97
Pension contributions payable	33	30
Deferred income	334	247
Other creditors	195	205
Amounts payable under HP and finance leases	14	14
Deferred capital grant (note 11)	83	83
	1,312	1,395
	1,312	1,395

TWO SAINTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

	2016 £000s	2015 £000s
Amounts payable under HP and finance leases	14	28
Deferred capital grant (note 11)	6,840	6,922
	<u>6,854</u>	<u>6,950</u>

**AMOUNTS OWING UNDER HP AND FINANCE LEASES**

	2016 £000s	2015 £000s
Amounts owing in less than one year	14	14
Amounts owing in greater than one year	14	28
	<u>28</u>	<u>42</u>

**9. PROVISIONS FOR LIABILITIES AND CHARGES**

	2016 £000s	2015 £000s
Provision for estimated end of lease liabilities on certain properties:		
At start of year	169	106
Charge to income statement	54	83
Expenditure charge against provision	(97)	(20)
	<u>126</u>	<u>169</u>
Provision for estimated cost of withdrawal from Growth Plan Pension Scheme:		
At start of year charge to income statement	97	-
Charge to income statement	3	97
Payment to withdraw from Scheme	(100)	-
At end of year	<u>-</u>	<u>97</u>
Provision for Social Housing Pension Scheme deficit:		
At start of year	1,860	1,915
Unwinding of the discount factor	33	54
Deficit contributions paid	(207)	(199)
Re-measurement – impact of change in assumptions	(15)	90
Re-measurement – amendments to the contribution schedule	735	-
	<u>2,406</u>	<u>1,860</u>
	<u>2,532</u>	<u>2,126</u>

**TWO SAINTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**10. NON-EQUITY SHARE CAPITAL**

	2016 £	2015 £
Allotted, issued and fully paid		
Shares at start of the year	10	11
Cancelled during the year	(2)	(4)
Issued during the year	1	3
Shares at end of the year	9	10

All members hold one share of £1. As at 31 March 2016 there were 9 members. The shares are non-transferable and non-redeemable, and carry no rights to received either income or capital repayments. Each share has full voting rights.

**11. DEFERRED CAPITAL GRANT**

	2016 £000s	2015 £000s
At 1 April	7,005	6,678
Grant received in year	-	405
Released to income in the year	(82)	(78)
At 31 March	6,923	7,005
	2016 £000s	2015 £000s
Amounts to be released within one year	83	83
Amounts to be released in more than one year	6,840	6,922
	6,923	7,005

**12. CAPITAL COMMITMENTS**

	2016 £000s	2015 £000s
Details of capital commitments at the accounting date are as follows:		
Authorised by the board but not yet contracted for	-	977

At 31 March 2015 the board had agreed to the purchase of four properties from another registered provider. Exchange of contracts had not yet taken place. Three of the properties were already managed by Two Saints; the fourth was an office used by its staff for delivery of one of its services. This transaction completed during the 2015/16 financial year end.



## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 13. FINANCIAL INSTRUMENTS

The association's financial instruments comprise debtors, creditors and cash and cash equivalents. All are shown at amortised cost.

	2016 £000s	2015 £000s
<b>Financial assets:</b>		
Rental debtors	213	205
Other debtors	193	540
Accrued income	5	53
Cash	2,763	3,370
<b>Financial liabilities:</b>		
Trade creditors	(31)	(93)
Rent in advance	(64)	(61)
Accruals and other creditors	(623)	(770)
Social security costs	(130)	(97)
Pension contributions payable	(33)	(30)
	2,293	3,117

#### 14. PENSION OBLIGATIONS

Until 1 April 2014 Two Saints participated in a defined benefit scheme for salaried staff, the Pensions Trust - Social Housing Pension Scheme (the scheme). From April 2014 staff enrolled on the scheme transferred into a defined contribution scheme also operated by The Pensions Trust. This vehicle is now used for auto-enrolment for all staff.

##### Social Housing Pension Scheme

The association participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme.

Where the scheme is in deficit and where the association has agreed to a deficit funding arrangement, the association recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**TWO SAINTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £000s	2015 £000s	2014 £000s
Present value of provision	2,406	1,860	1,915

	2016 £000s	2015 £000s
Reconciliation of opening and closing provisions		
Provision at start of period	1,860	1,915
Unwinding of the discount factor (interest expense)	33	54
Deficit contribution paid	(207)	(199)
Re-measurements - impact of any change in assumptions	(15)	90
Re-measurements - amendments to the contribution schedule	735	-
	<hr/>	<hr/>
Provision at end of period	<u>2,406</u>	<u>1,860</u>

	2016 £000s	2015 £000s
Income and expenditure impact		
Interest expense	33	54
Re-measurements – impact of any change in assumptions	(15)	90
Re-measurements – amendments to the contribution schedule	735	-
Contributions paid in respect of future service	60	161
	<hr/>	<hr/>
Costs recognised in income and expenditure account	<u>813</u>	<u>305</u>

Assumptions	2016 % per annum	2015 % per annum	2014 % per annum
Rate of discount	2.06	1.92	3.02

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

**Growth plan**

Until 31 March 2015 Two Saints participated in The Pensions Trust's Growth Plan (the Plan). The Plan was a multi-employer pension plan and had a deficit as at 31 March 2015 as assessed by comparing the value of the Plan's assets to the Plan's liabilities calculated using an annuity buy-out basis. The Plan's actuary calculated the debt due by Two Saints under Section 75 of the Pensions Act 1995 and the regulations made there under in respect of Two Saints to be £100,125 as at 31 March 2015. This debt was paid off by Two Saints in December 2015, and membership of the Plan has now ceased along with any further liability towards the deficits incurred.

## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 15. DIRECTORS' EMOLUMENTS

No emoluments were paid to non executive directors in the year (2015: nil)

	2016 £000s	2015 £000s
The aggregate emoluments paid to or receivable by executive directors and former directors (including pensions of £10k (2015: £nil))	372	300
The emoluments paid to the highest paid director excluding pension contributions	91	76

During the year the board agreed a payment to members of the senior management team as compensation for ceasing their bonus scheme.

The chief executive is an ordinary member of the pension scheme. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Two Saints of £750 (2015: £563) was paid in the year in addition to the personal contributions of the chief executive.

Directors are defined as the members of the board of management, the chief executive and members of the senior management team. These persons comprise the key management personnel and their emoluments are disclosed above.

In addition, Employer's National Insurance payable in relation to the above individuals totalled £44k (2015: £34k).

#### 16. EMPLOYEE INFORMATION

	2016 No	2015 No
The monthly average number of persons employed during the year in full time equivalents (37 hours per week) was:	162	173
	£000s	£000s
Wages and salaries	4,274	4,253
Social Security costs	357	357
Other pension costs	60	161
	4,691	4,771

Aggregate number of full time equivalent staff whose remuneration exceeded £60,000 in the period:

	No	No
£60,000 - £70,000	2	1
£80,000 - £90,000	1	1
£90,000 - £100,000	1	-

## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 17. OPERATING LEASES

Some properties and equipment are held under non-cancellable operating leases. The association had outstanding commitments for future minimum payments under non-cancellable operating leases as follows:

	2016 £000s	2015 £000s
<b>Leases on land and buildings which expire:</b>		
Within the next year	15	87
In the second to fifth year	-	11
<b>Other leases which expire:</b>		
Within the next year	9	7
In the second to fifth year	23	23
Greater than 5 years	-	-
	<u>47</u>	<u>128</u>

#### 18. TAXATION

The association has charitable status under its registration with Her Majesty's Revenue & Customs and is therefore exempt from liability to taxation under Section 505 of the Income and Corporation Taxes Act 1988 on its charitable activities. The association's HMRC exemption reference is XR56079.

#### 19. BEDSPACES

The number of units of accommodation managed by the association at the year end was as follows:

	2016	2015
<b>Supported housing</b>		
Direct access hostels	148	148
Move on accommodation	170	161
Mental health accommodation	14	14
Private leasing	80	140
	<u>412</u>	<u>463</u>

The association had contracts to provide support for 755 (2015 - 827) clients not residing in accommodation managed by the association.

The association owned 32 bed spaces (2015: 32) managed by other entities at the year end.

#### 20. SUBSIDIARY UNDERTAKINGS

##### The Society of St Dismas Limited

The Society of St Dismas, a registered charity (number 222681) and a company limited by guarantee (number 735356), is a wholly owned subsidiary of Two Saints.

Since 2001 The Society of St Dismas has existed solely to raise money to enable it to undertake its charitable activities. Two Saints is the only organisation to have benefited from these activities.

## TWO SAINTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 21. RELATED PARTIES

Transactions between Two Saints and The Society of St Dismas during 2015/16 include:

- £20,000 (2015 - £nil) cash donations were received from St Dismas in the year
- Two Saints raised an invoice to cover the costs of the audit fees paid on St Dismas' behalf for the past three years amounting to £nil (2015: £2,650)
- At the 31st March 2016 St Dismas owed Two Saints £984 (2015 - £nil)

The Society of St Dismas is not consolidated on the grounds of immateriality.

Details of key management personnel are included in note 15.

#### 22. TRANSITION TO FRS 102

These financial statements are the association's first financial statements that comply with FRS102. The date of transition was 1 April 2014.

The transition to FRS 102 has resulted in some changes in accounting policies compared to those used previously. The following table describes the differences between the amounts presented previously under UK GAAP and as restated to comply with FRS 102:

- in the statement of comprehensive income and statement of financial position for the year ended 31 March 2015 (i.e. comparative information); and
- in the opening Statement of Financial Position (i.e. at 1 April 2014, the date of transition)

#### Reconciliation of the income and expenditure for the year ended 31 March 2015

	<b>2015 OLD UK GAAP</b>	<b>Note 1</b>	<b>Note 2</b>	<b>Note 3</b>	<b>2015 FRS 102</b>
	£'000s	£'000s	£'000s	£'000s	£'000
<b>Turnover</b>	9,675	78	-	-	9,753
Operating expenditure	(9,600)	(58)	(10)	109	(9,559)
<b>Operating surplus</b>	75	20	(10)	109	194
Interest receivable	30	-	-	-	30
Interest payable	-	-	-	(54)	(54)
<b>Surplus for the year</b>	105	20	(10)	55	170

Summary of transition differences:

#### Housing properties (Note 1)

- Social housing grants are no longer netted off the cost of housing properties but are disclosed separately as deferred income within creditors
- Depreciation of housing properties is calculated by reference to the cost of housing properties, rather than on the net of cost and social housing grant
- Social housing grant is amortised to the income statement on a systematic basis, with the amortisation forming part of income
- Social housing grant that was previously allocated to land was previously not depreciated; however, all social housing grant is now amortised, including that previously allocated to land.

TWO SAINTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

**Leases (Note 2)**

- One lease previously categorised as an operating lease has been reclassified as a finance lease.

**Employee benefits (Note 3)**

- The multi-employer defined benefit pension scheme, where the past pension deficit payments are now recognised as a liability. Financing charges are made in the Income Statement in recognition of the unwinding of the discount on the provision.

**Reconciliation of balance sheet at 31 March 2015**

	<b>2015 OLD UK GAAP</b>	<b>Note 1</b>	<b>Note 2</b>	<b>Note 3</b>	<b>2015 FRS 102</b>
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Tangible fixed assets</b>					
Housing properties (net of depreciation)	9,715	(790)	-	-	8,925
Social housing grants	(8,102)	8,102	-	-	-
Other tangible fixed assets	45	-	23	-	68
	1,658	7,312	23	-	8,993
<b>Current assets</b>					
Debtors	965	-	-	-	965
Cash at bank and in hand	3,370	-	-	-	3,370
	(1,298)	(83)	(14)	-	(1,395)
<b>Net current assets</b>	<b>3,037</b>	<b>(83)</b>	<b>(14)</b>	-	<b>2,940</b>
Total assets less current liabilities	4,695	7,229	9	-	11,933
<b>Creditors: amount falling due after more than one year</b>	-	(6,922)	(28)	-	(6,950)
Provisions for liabilities and charges	(266)	-	-	(1,860)	(2,126)
	<b>4,429</b>	<b>307</b>	<b>(19)</b>	<b>(1,860)</b>	<b>2,857</b>
<b>Net assets</b>					
<b>Capital and reserves</b>					
Share capital	-	-	-	-	-
Revenue reserve	4,429	307	(19)	(1,860)	2,857
	4,429	307	(19)	(1,860)	2,857

TWO SAINTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. Transition to FRS 102 (continued)  
Reconciliation of balance sheet as at 1 April 2014

	2014 OLD UK GAAP £'000s	Note 1 £'000s	Note 2 £'000s	Note 3 £'000s	2014 FRS 102 £'000s
<b>Tangible fixed assets</b>					
Housing properties – depreciated cost	9,076	(732)	-	-	8,344
Social housing grants	(7,697)	7,697	-	-	-
Other tangible fixed assets	61	-	47	-	108
	1,440	6,965	47	-	8,452
<b>Current assets</b>					
Debtors	636	-	-	-	636
Cash at bank and in hand	3,848	-	-	-	3,848
<b>Creditors:</b> amounts falling due within one year	(1,494)	(78)	(14)	-	(1,586)
<b>Net current assets</b>	2,990	(78)	(14)	-	2,898
Total assets less current liabilities	4,430	6,887	33	-	11,350
<b>Creditors:</b> amount falling due after more than one year	-	(6,600)	(42)	-	(6,642)
Provisions for liabilities and charges	(106)	-	-	(1,915)	(2,021)
<b>Net assets</b>	<b>4,324</b>	<b>287</b>	<b>(9)</b>	<b>(1,915)</b>	<b>2,687</b>
<b>Capital and reserves</b>					
Share capital	-	-	-	-	-
Revenue reserve	4,324	287	(9)	(1,915)	2,687
	<b>4,324</b>	<b>287</b>	<b>(9)</b>	<b>(1,915)</b>	<b>2,687</b>

