

COMPANY NUMBER: 1247918

**BUILDING AND SOCIAL
HOUSING FOUNDATION**

**FINANCIAL STATEMENTS
For the Year Ended 31 December 2013**

**BUILDING AND SOCIAL HOUSING FOUNDATION
IS A REGISTERED CHARITY**

CHARITY NUMBER: 270987

WEDNESDAY



A28 17/09/2014 #256
COMPANIES HOUSE

BDO LLP
Pannell House
159 Charles Street
Leicester LE1 1LD
Tel: 0116 250 4400 Fax: 0116 285 4651

The members of the Council of Management, who are also directors of the charity for the purposes of the Companies Act 2006, are pleased to submit their thirty-fourth annual report, together with the audited financial statements for the year ended 31 December 2013.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number 270987

Company number 1247918

Principal Office

Memorial Square
Coalville
Leicestershire
LE67 3TU
United Kingdom

Tel 01530-510444

Fax 01530-510332

Email bshf@bshf.org

Web www.bshf.org

Auditor BDO LLP

Pannell House, 159 Charles Street, Leicester, LE1 1LD

Bankers Co-op Bank plc

77-79 Market Place, Leicester, LE1 5EN

Solicitors Freethcartwright

One Colton Square, Leicester, LE1 1QH

DIRECTORS AND TRUSTEES

The directors of the charitable company (BSHF) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year-end were as follows:

Elected trustees

S Bamford (appointed on 5 June 2013 to serve a three year term)

Dr C Dair (retired as Chair on 26 September 2013)

D Fryett (retired on 5 June 2013)

P Elderfield

J Gibbs

B Opacic (reappointed on 5 June 2013 to serve a further three year term)

G Payne

A Pearson (reappointed on 5 June 2013 to serve a further three year term)

J Strange (appointed Chair on 26 September 2013)

Director

D Diacon (resigned on 30 April 2013)

D Czischke (15 May 2013 to 23 October 2013)

H Petch (interim director - appointed on 9 January 2014)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Building and Social Housing Foundation is a charitable company limited by guarantee incorporated on 9 March 1976. It is governed by a Memorandum and Articles of Association which were amended on 5 September 2001 to include the power to purchase trustee indemnity insurance, on 5 March 2003 to increase the number of trustees from six to eight and on 6 June 2007 to formalise the process by which the Chairman was elected. In the event of it being wound up, members are required to contribute an amount not exceeding £10.00.

Recruitment, appointment and training of trustees

As set out in the Articles of Association one third of all trustees are required to retire each year but are eligible for re-election at the Annual General Meeting held in June. There is no restriction on the number of terms that can be served. The Articles state that the number of trustees should not exceed eight. The members of the organisation are co-terminus with the trustees. All members of the organisation are circulated with invitations to nominate trustees prior to the AGM, advising them of the retiring trustees and requesting nominations for the AGM.

All members of the board of trustees, known as the Council of Management give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 in the accounts.

Bosa Opacic and Alan Pearson retire by rotation and being willing and eligible, offer themselves for re-election. We express our sincere appreciation to Mr Derek Fryett, who has ably and loyally served the Council of Management over the last eight years and has brought his wide experience and insight to support the organisation as it has grown and developed in this time.

New trustees are provided with full information to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Opportunities are provided for new trustees to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role and to meet regularly with the BSHF staff team.

Organisation

The board of trustees, which can have up to eight members, administers the charity. The board meets quarterly and there is one standing sub-committee covering investment and other financial matters. Working groups are established to address particular issues if needed. A Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and all activity relating to meeting the organisation's objectives. During the year, our Director was Mrs Diane Diacon, who joined the organisation in 1977 and undertook a variety of roles before becoming its Director in 2001. Diane resigned from her role as director on 30 April 2013. To help us in our work we retain a number of professional advisers who are listed on the previous page.

Related parties

The charity has no closely related parties, although co-operates with a broad range of organisations both in the UK and internationally in its various housing research and knowledge transfer activities.

Risk management

The trustees have a risk management strategy, which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

Health and safety advisers and professional investment managers have been appointed and a business continuity plan has been prepared to address the need to maintain a normal mode of operation in the event of an emergency. A key element in the management of financial risk is the setting of policies in respect of reserves and investments, which are regularly reviewed by trustees. A major risk identified in previous risk mapping work is a major collapse of the financial markets and the impact that this would have on the income stream, which relies heavily on dividend income. Whilst the ongoing uncertainties in the global financial system continue to have an impact on our income, we are working closely with our investment advisers to keep the situation under review. The Finance and Investment Sub-Committee meets three times a year with our investment managers, in addition to each firm attending the full Council of Management meeting once a year. A full set of papers from the Finance and Investment Sub-Committee are provided to all Council of Management members, in order that there is a broad understanding of the financial position by all members.

ACTIVITIES AND IMPACT

Our aims and objectives

Our charity's purposes as set out in the objects contained in its Memorandum of Association are to:

- Carry out research into the science of the management, development and construction of residential housing.
- Publish the results of all research.

Our vision and mission

Our vision and mission statements were formalised in 2008 and we have continued to embed their use in the various activities carried out throughout the year. Any proposed activity is reviewed in the light of these statements in order to ensure that it is helping us deliver our objectives.

BSHF believes that everyone should have access to decent housing. The aim of our charity is that we should help to bring this about through our research and knowledge transfer work, which seeks to identify, share and promote innovative and sustainable housing policy and practice, both in the UK and internationally. By decent we mean that housing should:

- Provide safe and durable shelter from the elements
- Be sufficiently affordable that other basic needs can be met
- Provide security of tenure without fear of eviction
- Have access to clean water and sanitation
- Be large enough for the household
- Be energy efficient and environmentally responsible
- Offer access to livelihood opportunities and health and education provision
- Promote a sense of safety, well-being and belonging.

All our work is underpinned by our 'guiding principles'. These are outlined below, with related descriptors:

Agent for change

- Seeking to be a catalyst to bring about positive change
- Working to influence policy and practice to maximise social benefits
- Providing opportunities for creative thinking and action

Excellence

- Delivering in-depth knowledge and expertise
- Stressing intellectual rigour and continuous learning
- Acting with integrity and professionalism

Global perspective

- Building understanding of connections between people, their homes and the planet
- Promoting the adaptation and transfer of solutions across contexts and borders
- Connecting people and ideas to foster collaboration and the free sharing of knowledge

Independence

- Impartial and non-partisan in all areas of work
- Maintaining freedom to focus on issues that are relevant and important
- Nurturing community resilience and self-reliance

Innovation

- Encouraging fresh thinking on housing policy and practice
- Focussing on practical and scalable solutions
- Challenging current practices and ways of thinking

People-centred

- Committed to social justice and equality of opportunity
- Focussed on sustainable outcomes for people, both now and for future generations
- Valuing diversity and respecting all individuals

Ensuring our work delivers our aims

An annual action plan is developed each year identifying the activities planned to be carried out during the year, together with an indication of the expected outcomes of those activities. We review our aims, objectives and activities each year, using an evaluation of the annual action plan against agreed targets to help us in this process. The review looks at each area of research activity carried out to ensure that it is having the desired impact and to make a judgement as to whether this area of work should be continued. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of our activities

Our main areas of work for the year continued to be identifying examples of innovative and sustainable housing practice and policy worldwide and encouraging their transfer through carrying out research, providing information, organising knowledge sharing events and promoting identified good practice into local and national housing policy and practice. Housing is a crucial element in people's lives, enabling them to improve their living conditions, play a greater role within their community and with appropriate design or improvements to reduce carbon emissions. Our work therefore addresses the charitable purposes of advancement of environmental protection and improvement, advancement of citizenship and community development and the prevention or relief of poverty. The strategies employed to achieve BSHF's objectives include:

- Carrying out research into innovative and sustainable housing practice, both in the UK and internationally.
- Sharing the housing information and knowledge derived from our research, including publishing the results of all research in paper and electronic format, as well as organising meetings and other events where research findings can be shared.
- Working in partnership with a range of organisations to further promote the good practice and policy identified through our research.
- Acting locally as well as globally through the encouragement of good housing practice in the locality.

How our activities deliver public benefit

Our main activities and those who we try to help are described below. All our charitable activities focus on identifying and promoting innovative and sustainable housing policy and practice, both in the UK and internationally.

Who used and benefited from our activities?

Those benefiting from our activities are the public generally, with a focus on housing and urban development practitioners and policymakers and, indirectly, those who do not have access to decent housing. In particular, through the research that we carry out and publish we seek to assist those who do not have access to decent housing. The particular aims towards which our research is focussed are set out in the definition of what constitutes 'decent' housing above. Our work in promoting and encouraging the development of more environmentally responsible housing has a wider global impact through the reduction of carbon emissions, as well as bringing direct benefits to the residents.

The information we produce as a result of our research is made widely available in both electronic and printed formats. It is our policy to ensure the widest possible access to the publications we produce. We make as many publications as possible available for free downloading from our website, as well as distributing a large number of hard copies without charge. BSHF does not impose any copyright restrictions on its publications and welcomes, indeed positively encourages, the widespread use of the information provided. There are currently 135 publications on the BSHF website.

Research published in 2013 is set out below. All of these documents are freely available to download. Free copies are also available upon request.

- Housing for Health good practice report
- Perceptions of overcrowding
- How to finance energy efficiency
- Creating the Conditions for New Settlements in England
- Practical Guidance for Scaling-Up of Sustainable Buildings and Energy Projects
- Community Programme for Neighbourhood Improvement (PCMB) good practice report
- Fair Energy Transition Towards Nearly Zero Energy Buildings
- Who Lives in the Private Rented Sector?

Researching innovation in housing

Innovation in housing is identified through the international World Habitat Award competition, which BSHF organises with the collaboration and support of UN-HABITAT. Many excellent projects are identified through these Awards, in the global South as well as the North and a major focus of our activity is on ensuring that these innovative and successful approaches can be more widely shared.

The UK Housing Policy and Practice team has carried out relevant research during 2013 and all research is made publicly available without charge. The research published in respect of the housing situation in the UK has been widely reported in the housing media and cited in academic reports.

This year's Consultation at St George's House focussed on the development of New Settlements in the UK. The findings from the discussions at the Consultation have been published and have received widespread coverage in the housing related press.

Research into the long-term impact of post-disaster recovery and reconstruction on people's livelihoods and resilience has been initiated in partnership with organisations from around the world, including a number of World Habitat award winners and finalists.

A series of research projects within our commissioned research programme have been delivered in partnership with academic as well as non-governmental organisations, including the University of Birmingham and GERES.

Sharing the results of our research

We continue to place increasing emphasis on ensuring that the results of all our research are more broadly shared. We carry out this knowledge transfer through a variety of publication methods, including organising study visits and peer exchanges to World Habitat Award winning projects as well as other meetings, giving presentations at national and international meetings, producing written materials and videos and having a wide range of information available on the BSHF website. The number of research reports downloaded in 2013 was 33,451 compared to 27,000 in 2012, which is very positive, particularly given the lower number of research reports which were published during the year.

During the year, two peer exchange groups spent a week visiting the FUCVAM South-South Co-operation in Uruguay in September 2013. In addition our other 2012 World Habitat Award winning project, the Green Mortgage Programme from Mexico, in partnership with GIZ, spearheaded the launch of the Latin America and Caribbean Network for Sustainable Housing, which BSHF supported and attended in November 2013. BSHF meets travel, accommodation and conference costs for the participants to attend the peer exchanges, thus enabling people who could not otherwise afford to attend to learn at first hand from the good practice identified through our research work. On-going monitoring shows that the benefits of the experience are spread widely amongst colleagues, students and partner organisations when participants return to their own countries, resulting in direct improvements to housing provision as well as contributions to policy making and academic teaching.

In addition to publishing our research in both paper and electronic formats, we have given presentations on innovative and sustainable housing approaches at a variety of events, both internationally and in the UK, including a three-day invitation-only event with ministerial input, organised by the British Council and Edinburgh University on Global Policy Dialogue on Sustainability and the City in March, at the first international conference on community land trusts, to students in the local university, the Asia Pacific Housing Forum and at an Inside Government conference, among others.

We have also worked in partnership with other organisations to promote knowledge transfer on an international scale, including with the Development Planning Unit of University College London, Sustainable Architecture and Energy Scaling Up, United Cities and Local Governments for Africa network, British Overseas NGOs for Development (BOND), Habitat International Coalition, CECODHAS Housing Europe and the UN-Habitat Best Practices and Local Leadership Programme (BLP).

BSHF offers two annual internships and we were very fortunate in being able to employ two excellent graduates to work in our research teams. As well as thinking and working globally, BSHF seeks to have an impact locally. A research programme was undertaken assessing the impact of the Empty Homes Community Grants Programme in the East Midlands, looking at how successful this has been in delivering additional homes in the region.

During the year, BSHF has continued to expand its work in the area of encouraging the sharing of good practice within Europe. It continues to support the work of CECODHAS Housing Europe and has this year continued to work with other partners in delivering the nearly Zero Energy Challenge, which over the next three years will seek to guide policy and practice in terms of delivering the recast Energy Performance in Public Buildings Directive for social housing providers throughout Europe. There is a clear interest in this area of work, with over 340 downloads of related publications from the BSHF website during the year.

BSHF continues to ensure that we meet our obligations arising from our consultative status with the UN Economic and Social Council, giving presentations at UN organised events, acting as a partner to UN-HABITAT in the announcement of the World Habitat Awards at the World Habitat Day celebrations in Medellin, Colombia in October, contributing to the Best Practices and Local Leadership Programme, as well as ensuring that our information is provided to all United Nations Information Centres around the world. We have established a 'Friends of BSHF' network to provide further support for our activities and membership of this group has expanded during this year.

We have an ethical commitment whereby we seek to carry out our work without detriment to the environment. Accordingly, we have planted 37,000 trees on BSHF owned land in the National Forest, which are used to offset the carbon emissions generated from our various activities. We also seek to reuse, reduce and recycle wherever possible.

FINANCIAL REVIEW

Overview of the year

In 2010, the trustees carried out a detailed review of the charity's activities and produced a strategic plan for the direction and activity of the charity for the following four years (until December 2014) and the first three years of this plan have been implemented.

The total income for the year was £739,281. This represents a 9 per cent increase on the income in 2012 of £678,150. The increase is primarily due to additional Investment income generated by moving funds from Newtons to M&G. The principal funding source is income received from financial investments (£662,723 i.e. 89.6 per cent), with the remaining 10.4 per cent coming from grants, Cecodhas income, rental income and sales. Expenditure in the year was £814,643. This was more than income by £75,362.

In the past BSHF has not sought external funding, although during 2013 has received research funding from the European Union in respect of the Power House Europe Nearly Zero Energy Challenge project. It will continue to seek external funding in the future, when such opportunities coincide with our anticipated future work plan. Funds have been applied in respect of research costs and in the governance and administration of the organisation, with 92 per cent of funds expended relating to research and 8 per cent to governance and administration.

Investment powers, policy and performance

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Members of the Council of Management see fit. Investments are held to provide an income to further the objectives of the Foundation, both now and in the future and the investment policy has been amended to reflect the slight shift in emphasis towards income rather than capital growth.

Capital appreciation of the investments continues to ensure that the value of the original gift is maintained in real terms in the longer term, recognising that there will be short-term fluctuations due to changes in the stock market values. BSHF seeks to ensure that a sufficient income stream is generated to cover its current activities without incurring undue financial risk for the charity. The income from the charity's investments increased by 14.2 per cent from £580,095 in 2012 to £662,723 in 2013. There was an increase of £9,299,381 in the valuation of the BSHF total investment portfolio at the year end from £14,269,556 in 2012 to £23,568,937 in 2013. This increase was mainly due to the gain in the valuation of the land.

Reserves policy

BSHF operates within a comparatively low-risk funding environment, as it does not rely on any external financial support in delivering its charitable objectives and funds virtually all of its activities from the revenue generated from the financial investments, land and property that it received as a gift in 1976. BSHF is committed to maintaining the value of the original gift in real terms.

This reserves policy has been developed as part of an ongoing integrated financial governance process which includes development of a strategic plan, a risk management policy and an investment policy.

An expansion in the level of the organisation's activity for the years 2006 to 2010 was identified as part of the strategic review carried out by the trustees in 2006. As a result of this review, a business plan was developed which identified specific levels of anticipated income and expenditure in each of the years, together with details of the expected outputs and outcomes of the activities. In view of this conscious decision to increase activity, a review of the organisation's investment policy and practice was undertaken to ensure that the funds necessary to deliver these planned activities were available. Newton Investment Management was appointed in June 2008 and currently manages approximately 43 per cent of the BSHF investment portfolio, with the remaining 57 per cent continuing to be managed by M&G Investments. During 2012, a third firm was appointed, Shroders, to manage any funds derived from land sales.

Taking into account the level of planned expenditure, the current level of general unrestricted reserve funds are considered to be satisfactory.

In the event of a catastrophic collapse of the international financial markets, the organisation has investments that can be readily realised to generate an income to continue its operations.

A designated reserve of £744,000 was established in the past in respect of the future development of the old buildings owned by BSHF at Sandhills Lodge Farm, which it wished to convert to a research centre. The Strategic Review process carried out in 2010 for the coming years 2011 – 2014 has resulted in the property currently being actively marketed. Should it be sold, a reserve for this activity will no longer be required.

A revaluation reserve is also maintained in respect of those amounts by which investments and other assets exceed their historical cost. An income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. The gift maintenance fund has been created to maintain the original gift from East Midlands Housing Association in real terms value. In addition, restricted reserves are established from time to time where funds are provided by an external body to meet specific expenditure.

The Business Plan is reviewed on an annual basis, with both income and expenditure projected forward on an on-going basis. This reserves policy is also subject to review on an annual basis and the BSHF trustees will carry out this review after giving due consideration to its planned programme of activity and the advice of its financial advisers as to likely income levels, any associated risks and the broader investment climate.

Plans for future periods

We welcome David Ireland OBE as our new Director, David joins us after 7 years as the Chief Executive of the Empty Homes Agency. We look forward to working with David who will bring a new perspective and opportunities for the organisation.

We acknowledge with thanks the support provided by Heather Petch OBE as our Interim Director.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PKF (UK) LLP was appointed in June 2009 to act as auditors, after a comprehensive review of our audit services. Under the provisions of the Companies Act 2006, a resolution is no longer required at the Annual General Meeting to nominate the auditors for the coming year. A further review of audit services is planned to take place during 2014. PKF (UK) LLP have merged their business into BDO LLP and accordingly have signed their auditor's report in the name of the merged firm.

EMPLOYEE INVOLVEMENT AND APPRECIATION

All members of staff have been regularly consulted on issues of concern with regular staff meetings being held and have been kept informed on specific matters where necessary by the Director. The trustees meet with all members of staff at the quarterly board meetings and staff members present their work to trustees at the meetings. Sincere thanks are expressed to all members of our staff for their dedicated service to the organisation during the year and to the excellent results that are being achieved as a result of their work.

By order of the trustees



Mr J Strange (Chair)

4 June 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUILDING AND SOCIAL HOUSING FOUNDATION

We have audited the financial statements of Building and Social Housing Foundation for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 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 Financial Reporting Council's website at 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 charity's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept in respect of the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements and directors' report in accordance with the small companies' regime and not entitled to the exemption from the requirement to prepare a strategic report.

BDO LLP

Roger Merchant (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory Auditor
Leicester
United Kingdom
Date: 4/6/14

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

BUILDING AND SOCIAL HOUSING FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2013 (Incorporating the income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income					
Sales of publications/		9,516	-	9,516	27,514
Consultancy/Option fee					
Investment income	2	696,882	-	696,882	617,190
<i>Incoming resources from charitable activities</i>					
Grants		4,611	-	4,611	9,637
Cecodhas income		-	28,272	28,272	23,809
<i>Other incoming resources</i>					
Profit on sale of fixed assets		1,650	-	1,650	-
Total Incoming Resources		712,659	28,272	740,931	678,150
RESOURCES EXPENDED					
<i>Costs of generating funds</i>					
		39,390	-	39,390	45,039
<i>Charitable activities</i>					
		738,724	14,301	753,025	840,249
<i>Governance costs</i>					
		22,228	-	22,228	24,611
Total Resources Expended	3	800,342	14,301	814,643	909,899
Net incoming/(outgoing) resources before other recognised gains and losses					
		(87,683)	13,971	(73,712)	(231,749)
<i>Other recognised gains</i>					
			-		
Gains on investment assets		10,027	-	10,027	4,835
Unrealised gains on fixed assets		138,090	-	138,090	-
Unrealised gains on investment assets	7	9,523,110	-	9,523,110	776,510
Net movement in funds for the year		9,583,544	13,971	9,597,515	549,596
<i>Reconciliation of funds</i>					
Total funds brought forward		15,188,470	14,187	15,202,657	14,653,061
Total funds carried forward		24,772,014	28,158	24,800,172	15,202,657

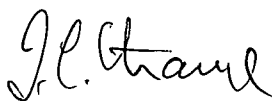
The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

BUILDING AND SOCIAL HOUSING FOUNDATION**REGISTERED NUMBER: 1247918****BALANCE SHEET AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
Fixed Assets					
Tangible	9		923,090		801,930
Investments	10		<u>23,568,937</u>		<u>14,269,556</u>
			24,492,027		15,071,486
Current Assets					
Investments	11	-		383	
Debtors	12	61,895		34,503	
Cash in hand		<u>279,597</u>		<u>139,299</u>	
		341,492		174,185	
CREDITORS: (Amounts falling due within one year)	13	<u>(33,347)</u>		<u>(43,014)</u>	
Net Current Assets			308,145		131,171
Total Assets Less Current Liabilities			<u>24,800,172</u>		<u>15,202,657</u>
Capital and Income Funds:					
Designated funds	14		11,267,722		10,838,622
Revaluation reserve	14		13,368,455		4,145,653
Unrestricted funds	14		135,837		204,195
Restricted funds	15		<u>28,158</u>		<u>14,187</u>
			24,800,172		15,202,657

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 11 to 25 were approved by the Council of Management on 4 JUNE 2014 and signed on its behalf by:

J STRANGE**Chair****P A ELDERFIELD****Hon. Treasurer**

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Basis of Accounting

The financial statements are prepared under the historical cost convention, as modified by the inclusion of freehold properties and fixed asset investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

Fund Accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Within unrestricted funds are a number of designated funds.
- Designated funds are unrestricted funds earmarked by the Council of Management for particular purposes. Included within designated funds is a revaluation reserve representing the restatement of investments and other assets at market values.
- Restricted funds are those funds where restrictions are imposed by the donor in respect of how the funds can be expended.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

All investment assets, including investment properties, are stated in the financial statements at market value. Realised and unrealised gains on investment assets and fixed assets held for charitable uses are included in the Statement of Financial Activities as part of the movement in funds for the year in which they arise. Investment income is recognised in the Statement of Financial Activities in the year in which it is receivable.

Resources Expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with generating income.
- Charitable expenditure comprises those costs incurred by the charity in achieving its charitable objectives. Research expenditure is included within the year in which it is incurred.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories on the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs that relate to a specific activity are allocated directly. Those costs that are not specific to an activity are apportioned on the basis of the time spent in the different categories as set out in note 4.

Fixed Assets and Depreciation

Freehold buildings are stated at market value less depreciation. There have been no indications that impairment has occurred, and no impairment review has been carried out.

All other fixed assets are stated at purchase price less depreciation. Depreciation is calculated to write off fixed assets over their estimated useful lives at the following annual rates:

Freehold buildings	2% of revaluation
Office and other equipment	25% of cost
Motor vehicles	25% of cost

Investments held as fixed assets are revalued at mid-market value at the balance sheet date.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Cash Flow Statement

The Foundation is not required to prepare a cash flow statement, as it falls within the limits for a small charitable company as set out in the Companies Act 2006 and the SORP - Accounting and Reporting by Charities.

Taxation

Taxation has not been provided on the surplus for the year on the grounds that Part 11 of the Corporation Tax Act 2010 applies (exemption of charitable companies from taxation). By virtue of the same section, income tax deducted from investment income received has been treated as recoverable.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Contributions to pension funds

The company operates a defined contribution pension scheme. The amount charged through the statement of financial activities in respect of pension costs is the contributions payable in the year. In the past, the company also contributed to the Pensions Trust's Growth Plan, further details of which are included in note 17.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the statement of financial activities on a straight line basis over the period of the lease.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. INVESTMENT INCOME

	2013 £	2012 £
Listed:		
Dividends on unit trusts and Common Investment Funds	662,542	575,321
Cash on Deposit:		
Interest received	181	4,774
Other:		
Rental income	34,159	37,095
	<u>696,882</u>	<u>617,190</u>

3. RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	2013 £	2012 £
Cost of generating funds				
Professional & investment fees	25,562	-	25,562	31,516
Support costs (see note 4)	13,828	-	13,828	13,523
	<u>39,390</u>	<u>-</u>	<u>39,390</u>	<u>45,039</u>
Charitable Activities				
Awards	23,395	-	23,395	27,023
Salaries and pensions	394,445	10,527	404,972	477,953
Fees for commissioned research	16,907	-	16,907	25,006
Research travel (overseas)	25,472	-	25,472	26,599
Research travel (UK)	11,102	-	11,102	10,780
Research dissemination materials	11,332	-	11,332	15,213
Recruitment and training	17,580	-	17,580	29,287
Subscriptions	14,310	-	14,310	10,270
External research meetings – BSHF	62,917	-	62,917	69,027
External research meeting – Others	11,446	-	11,446	8,088
BSHF research meetings	9,929	-	9,929	6,858
Cecodhas Housing Europe	-	3,774	3,774	3,218
Publication of research	29,259	-	29,259	22,747
Support costs (see note 4)	110,630	-	110,630	108,180
	<u>738,724</u>	<u>14,301</u>	<u>753,025</u>	<u>840,249</u>
Governance Costs				
Auditor's remuneration and related costs	8,400	-	8,400	11,088
Support costs (see note 4)	13,828	-	13,828	13,523
	<u>22,228</u>	<u>-</u>	<u>22,228</u>	<u>24,611</u>
	<u>800,342</u>	<u>14,301</u>	<u>814,643</u>	<u>909,899</u>

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUPPORT COSTS

The Charity allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources.

	Costs of Generating Funds £	Charitable Activities £	Governance £	2013 Total £	2012 Total £
SUPPORT COSTS					
Overheads					
Administrative salaries	3,403	27,228	3,403	34,034	45,133
Stationery, postage and telephone	153	1,222	153	1,528	2,115
Motor and travelling expenses	512	4,097	512	5,121	4,278
Miscellaneous expenses	1,625	12,997	1,625	16,247	1,009
Lease charges	325	2,598	325	3,248	3,477
Bank charges	47	380	47	474	818
Foreign exchange rate differences	(7)	(52)	(7)	(66)	90
Premises Expenses					
Rates, heat and light	1,942	15,536	1,942	19,420	16,616
Repairs	2,261	18,089	2,261	22,611	30,056
Insurance	683	5,467	683	6,833	5,337
Depreciation	2,884	23,068	2,884	28,836	26,297
	<u>13,828</u>	<u>110,630</u>	<u>13,828</u>	<u>138,286</u>	<u>135,226</u>

5. STAFF COSTS

	2013 £	2012 £
Wages and salaries	372,935	363,450
Social Security costs	35,702	34,422
Pension costs	30,369	125,214
	<u>439,006</u>	<u>523,086</u>
Compromise Agreement – Land Manager	<u>16,000</u>	<u>-</u>
The average number of persons directly employed during the year was:	No	No
Research and development	13.0	13.0
Administration and support	1.0	1.0
	<u>14.0</u>	<u>14.0</u>
The number of higher paid employees was :	2013	2012
Earning between £60,000 and £70,000	<u>-</u>	<u>1</u>

Contributions amounting to £Nil (2012: £106,759) were made to the defined contribution pension scheme operated by the company in respect of the higher paid employee.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. NET INCOMING RESOURCES FOR THE YEAR

	2013	2012
	£	£
This is stated after charging:		
Operating leases	6,748	8,866
Depreciation	28,836	26,297
Auditor's remuneration:		
- Audit services	6,780	6,780
- Tax advice	1,620	2,100
- Pensions review	-	1,800
Trustees indemnity insurance	<u>428</u>	<u>428</u>

During the year ended 31 December 2013, travel expenses totalling £5,078 were paid to 7 members of the Council of Management (2012: £3,734).

No remuneration was payable to members of the Council of Management during the year (2012: nil).

The trustee indemnity insurance of £428 was paid in January 2013.

7. GAINS ON INVESTMENTS

UNREALISED GAIN:	2013	2012
	£	£
Market Value of Investments at year end	23,568,937	14,269,556
Original Cost of Investments	<u>11,022,058</u>	<u>10,821,489</u>
	12,546,879	3,448,067
Plus: Gains realised from previous years	424,298	-
Less: Unrealised gains on investments brought forward	<u>(3,448,067)</u>	<u>(2,671,557)</u>
Unrealised gain in the year	<u>9,523,110</u>	<u>776,510</u>

8. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 TANGIBLE FIXED ASSETS

	Freehold Property £	Office and other Equipment £	Motor Vehicles £	Total £
Cost or Valuation:				
At 1 January 2013	830,000	87,112	9,518	926,630
Additions	-	11,906	-	11,906
Revaluations	70,000	-	-	70,000
Disposals	-	(4,582)	(9,518)	(14,100)
At 31 December 2013	900,000	94,436	-	994,436
Depreciation:				
At 1 January 2013	53,990	61,192	9,518	124,700
Charge for the year	14,100	14,736	-	28,836
Depreciation on revaluation	(68,090)	-	-	(68,090)
Depreciation written back on disposals	-	(4,582)	(9,518)	(14,100)
At 31 December 2013	-	71,346	-	71,346
Net Book Value:				
At 31 December 2013	900,000	23,090	-	923,090
At 31 December 2012	776,010	25,920	-	801,930

Freehold Property

At 31 December 2013, Fox Bennett & Hackney, Chartered Surveyors, prepared valuations of all of the Foundation's freehold properties. The cost of these properties at 31 December 2012 and 2013 was £78,424.

These assets are primarily used for the management and administration of the Foundation, with part of the freehold property also being let to a 'non-related business'. The value of the leased part of the property cannot be identified separately.

10 INVESTMENTS

At Valuation:

	2013 £	2012 £
Freehold property	8,400,500	878,000
Listed investments	15,168,437	13,390,960
Sundry investments	-	596
	<u>23,568,937</u>	<u>14,269,556</u>

All investments are held within the UK.

Investments are held in order to provide an investment return for the purposes of funding the charity's activities.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. INVESTMENTS (Continued)

Freehold Property

At 31 December 2013, Fox Bennett & Hackney, Chartered Surveyors, prepared valuations of all of the Foundation's investment properties. In the opinion of the Council of Members, the increased valuations represent the true market value of the land held for investment purposes. The increase in value is primarily due to the granting of planning permission on one of the plots of land held.

	2013 £	2012 £
At beginning of year	878,000	878,050
Revaluations	7,522,500	-
Disposals at opening book value	-	(50)
Market value at 31 December	<u>8,400,500</u>	<u>878,000</u>
Historical cost at 31 December	<u>195,825</u>	<u>195,825</u>

	2013 £	2012 £
Listed Investments		
At beginning of year	13,390,960	12,614,450
Acquisitions at cost	3,200,383	-
Disposals at opening book value	(3,423,516)	-
Net gains/ (losses) on revaluation in the year	<u>2,000,610</u>	<u>776,510</u>
Market value at 31 December	<u>15,168,437</u>	<u>13,390,960</u>
Historical cost as at 31 December	<u>10,826,233</u>	<u>10,625,068</u>

These assets include indirect investments in listed securities, through a combination of Common Investment Funds and Unit Trusts.

Included in listed investments are the following investments, which individually represent over 5% of the total year-end value of the investment portfolio:

Holding	Quantity of Stock Held	Market Value 2013 £	Market Value 2012 £
Hanover Property Fund	-	-	310,388
M & G "Charibond"	1,025,884	1,257,734	1,346,986
M & G "Charifund"	514,090	7,398,583	3,129,023
NIM Global Growth & Income	<u>4,262,277</u>	<u>6,512,120</u>	<u>8,603,563</u>

11. CURRENT ASSET INVESTMENTS

	2013 £	2012 £
Cash on deposit	<u>-</u>	<u>383</u>

12. DEBTORS

	2013 £	2012 £
Prepayments	24,091	13,043
Accrued income	<u>37,804</u>	<u>21,460</u>

61,895 34,503

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. CREDITORS (Amounts falling due within one year)

	2013	2012
	£	£
PAYE/NI	6,674	9,725
Other creditors	26,673	33,289
	<u>33,347</u>	<u>43,014</u>

14. UNRESTRICTED FUNDS

	At 1 Jan 2013 £	Incoming Resources (Inc Gains) £	Outgoing Resources £	Transfers £	At 31 Dec 2013 £
Designated Funds					
Research Centre					
Development	744,000	-	-	-	744,000
Revaluation reserve	4,145,653	9,661,200	(14,100)	(424,298)	13,368,455
Income maintenance	2,427,083	-	-	194,581	2,621,664
Gift maintenance	7,613,658	10,027	-	229,717	7,853,402
Compensation for lost grasskeep	53,881	-	-	(5,225)	48,656
General Funds	204,195	712,659	(786,242)	5,225	135,837
	<u>15,188,470</u>	<u>10,383,886</u>	<u>(800,342)</u>	<u>-</u>	<u>24,772,014</u>

Purposes of Designated Funds

Research Centre Development – This fund has been created with the intention of establishing a research and education centre on land owned by the charity at some time in the future. Appropriations are made to this fund periodically by the trustees.

Revaluation Reserve – The revaluation reserve fund represents the amounts by which investments and other assets exceed their historical cost. During the year, there was a transfer of £424,298 representing the movement of the realised gains to the Income Maintenance fund.

Income Maintenance – The income maintenance fund has been created to provide the charity with a portfolio of investment assets that will be managed to provide a sufficient level of income to finance the expenditure of the organisation in carrying out its objectives. The fund is maintained by the transfer of the balance of realised gains after the funding of the gift maintenance fund.

Gift Maintenance – The gift maintenance fund has been created to maintain the original gift of £1,249,066 from East Midlands Housing Association in real terms value. The purpose of the original gift was to enable the generation of income to allow the charity to pursue and achieve its objectives. The underlying assets in which the funds are held are managed to do this. Maintenance of this fund is from realised gains on investment assets. A transfer of £229,717 was completed from the Income Maintenance fund in order to maintain this fund.

Compensation for lost Grass keep – This fund has been created to compensate for the income lost as a result of planting trees on land held in the National Forest. The fund is utilised via the transfer into general funds of the value of the income lost annually from potential Grass keep.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RESTRICTED RESERVES

During the year BSHF has continued to expand its work in the area of encouraging the sharing of good practice within Europe. It continues to support the work of CECODHAS Housing Europe and has this year joined with other partners in delivering the nearly Zero Energy Challenge.

	At 1 Jan 2013	Income Received	Related Expenditure	Transfers	At 31 Dec 2013
	£	£	£	£	£
CECODHAS Housing Europe	14,187	28,272	(14,301)	-	28,158

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Investments	Net Current Assets	Fund Balances 2013	Fund Balances 2012
	£	£	£	£	£
Restricted funds	-	-	28,158	28,158	14,187
Unrestricted funds:					
General funds	23,090	-	102,103	125,193	204,195
Designated funds	900,000	23,568,937	177,884	24,646,821	14,984,275
	923,090	23,568,937	308,145	24,800,172	15,202,657

17. PENSION SCHEME

The Foundation operates a pension scheme for the benefit of employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Total employer contributions paid in the year amounted to £30,369 (2012: £125,214). Building and Social Housing Foundation is one of many charities around the country which participate in the Pensions Trust's Growth Plan.

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

The Plan is funded and is not contracted out of the state scheme. The rules of the Growth Plan allow for the declaration of bonuses and / or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The main purpose of the valuation is to determine the position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. PENSION SCHEME (Continued)

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

Building and Social Housing Foundation paid contributions at the rate of £30,369 during the accounting period (2012: £125,214), at 31 December 2013 there were no contributions outstanding (2012: £Nil).

As at the balance sheet date there was at least one active member of the Plan employed by Building and Social Housing Foundation. Building and Social Housing Foundation continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 Sept 2011 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £780.3 million and the Plan's Technical Provisions (i.e. past service liabilities) were £927.9 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £147.6 million, equivalent to a funding level of 84.1%.

The deficit increased from £28.6 million at the last valuation date to £147.6 million at 30 September 2011. The increase in the deficit is due to lower than expected returns on assets and a reduction in gilt yields. However these changes have been partially off-set by members' movements.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In response to the increase in the shortfall, a recovery plan has been created which aims to eliminate the deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013. This will result in additional contributions for Building and Social Housing Foundation of £4,614 per annum, increasing by 3% every year.

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. PENSION SCHEME (Continued)

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Building and Social Housing Foundation is notified every May of an estimate of the debt on withdrawal as at the previous year end, 30 September. The Scheme Actuary has recalculated the debt on withdrawal (including Series 3 liabilities) as at 30 September 2012 to be £108,409. The scheme Actuary has advised that the figure quoted as at 30 September 2012 is likely to have increased by approximately 3.0% to March 2013. This is a contingent liability and is not included in the Statement of Financial Activities or the Balance Sheet.

18. LIMITED BY GUARANTEE

The company is limited by guarantee and accordingly does not have an issued share capital. Every member of the Association undertakes to contribute an amount not exceeding £10 to the assets of the association in the event of the same being wound up.

19. POST BALANCE SHEET EVENTS

In March 2014 the sale of a development site in East Leake was agreed. The site was sold for £9.6m (exclusive of VAT) with the charity receiving 70% of the sale value with the balance due in March 2015. The East Leake site formed the greater part of our gains from land appreciation shown in these accounts, and has a value in the financial statements of £7m.

20. COMMITMENTS UNDER OPERATING LEASES

As at 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2013	2012
	£	£
Operating leases which expire:		
Within 1 year	9,003	5,979
Within 2 to 5 years	2,457	1,677
	<u>11,460</u>	<u>7,656</u>

BUILDING AND SOCIAL HOUSING FOUNDATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Rent receivable		34,159	37,095
Investment income	A	662,723	580,095
DEFRA Grant		4,611	9,637
Cecodhas Income		28,272	23,809
Consultancy		-	400
Tax Credit		249	-
Option Fee		8,994	26,964
Sales		273	150
		<u>739,281</u>	<u>678,150</u>
Overheads:			
Salaries		34,034	45,133
Professional and investment management fees		25,562	31,516
Property expenses	B	15,540	15,661
Stationery, postage and telephone		1,528	2,115
Motor and travelling expenses		5,121	4,278
Auditor's remuneration and other related costs		8,400	11,088
Miscellaneous expenses		16,247	1,009
Lease charges		3,248	3,477
Bank charges		474	818
Foreign Exchange rate difference		(66)	90
		<u>110,088</u>	<u>115,185</u>
Research costs	C	<u>704,555</u>	<u>794,714</u>
		<u>814,643</u>	<u>909,899</u>
Deficit for the year		<u>(75,362)</u>	<u>(231,749)</u>

BUILDING AND SOCIAL HOUSING FOUNDATION

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

A. INVESTMENT INCOME

	2013	2012
£	£	£
Interest on deposits:		
Co-operative Bank PLC	109	170
COIF	-	-
NIM Capital Account	72	36
Investec Account	-	4,568
	<u>181</u>	<u>4,774</u>
Dividends from common investments, funds	<u>662,542</u>	<u>575,321</u>
	<u>662,723</u>	<u>580,095</u>

B. PROPERTY EXPENSES

	Occupied By the Foundation £	Own Property Let £	Total £
Rent, rates, heat and light	8,458	10,962	19,420
Repairs	18,450	4,161	22,611
Insurance	6,356	477	6,833
Depreciation of plant, fixtures and fittings, and buildings	28,836	-	28,836
	<u>62,100</u>	<u>15,600</u>	<u>77,700</u>
Apportioned to research facilities	<u>49,680</u>	<u>12,480</u>	<u>62,160</u>
Apportioned to overheads	<u>12,420</u>	<u>3,120</u>	<u>15,540</u>

C. RESEARCH COSTS

	2013	2012
£	£	£
Awards	23,395	27,023
Salaries and pensions	404,972	477,953
Fees for commissioned research	16,907	25,006
Research travel (overseas)	25,472	26,599
Research travel (UK)	11,102	10,780
Research dissemination materials	11,332	15,213
Recruitment and training	17,580	29,287
Subscriptions	14,310	10,270
External research meetings – BSHF	62,917	69,027
External research meetings – Others	11,446	8,088
BSHF Internal research meetings	9,929	6,858
CECODHAS Housing Europe	3,774	3,218
Research facilities	62,160	62,645
Publication of research	29,259	22,747
	<u>704,555</u>	<u>794,714</u>