

Almshouse Charity of Elizabeth Smith

Annual Report and Financial Statements

Year Ended 31 March 2017

Registered with the Charity Commission Number 210463

Registered with the Homes and Communities Agency Number A3174

Annual Report and Financial Statements

For the year ended 31 March 2017

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Advisers and bankers

Clerk and Registered Office	Bankers	Auditor
Michael Fuller Hanover House 1 Bridge Close Staines TW18 4TB	Barclays Bank plc. 1 Churchill Place Canary Wharf London E14 5HP	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR

Strategic Report

For the year ended 31 March 2017

Structure, Governance and Management

Trustee

Hanover Housing Association is the Corporate Trustee.

The Corporate Trustee receives no remuneration other than the Management Charges disclosed in note 3 and charges for other services provided as disclosed in note 17 of the notes to the Financial Statements.

Details of the membership, structure and policy for admitting new members to the Board of Hanover Housing Association can be found in the annual report of the Association and on their website at www.hanover.org.uk.

Code of Governance

The Board of the Corporate Trustee has adopted "Excellence in Governance" the code of governance of the National Housing Federation and assesses that it is compliant with that code.

Employees

The Charity has no employees. The administration of the Charity is undertaken by employees of Hanover Housing Association.

Risk management

The Board of the Corporate Trustee has examined the major strategic, business and operational risks which the Charity faces and confirms that systems and procedures, including an internal audit programme, are in place so as to mitigate the significant risks that the Charity may face.

Objects and Activities

The governing instrument for the Almshouse Charity is a Charity Commission Scheme dated 1 September 2004.

The Charity's objective is to provide almshouse accommodation for single, poor and deserving persons, being Christian and resident in the Parish of East Malling.

Governance and Financial Viability Standard

The Corporate Trustee is Hanover Housing Association a Private Registered Provider. The Board of Hanover Housing Association has assessed that it complies with the Governance and Financial Viability Standard.

Achievements and Performance

The Charity receives funds from charges raised on residents in the form of service charges and rent. The service charges are raised to cover the cost of providing support to the residents in relation to the Estate Manager, maintenance of the grounds and the maintenance of equipment. Rents are charged to the residents in line with Government guidance and are used to cover maintenance of the properties in the year and to provide resources to meet cyclical and major repairs over a number of years.

Charitable and political contributions

No contributions were made during the financial year (2016: £Nil).

Employees

The Charity has no employees but purchases services from Hanover Housing Association.

Financial Review

The activities for the year are set out on page 7 in the Statement of Comprehensive Income. Ordinary activities show a surplus of £17,991 (2015/16: £2,858). Higher surpluses have been achieved due to lower expenditure on major repairs, as a result of a smaller programme of planned works. Current year expenditure totalled £2,511 and was incurred on sound proof matting for a single property (2015/16: £14,832).

Plans for Future Periods

In line with the Charity's objective to maintain the properties in good repair and in order to provide accommodation for rent, the Charity continues to review the fabric of the building via planned works programmes and stock condition surveys undertaken by Hanover Housing Association. At this time there is no immediate significant expenditure required but this will be kept under annual review.

Following a review of the organisation's investments and planned expenditure for 2017/18, £110k of shares held in the CCLA COIF Investment fund were sold in June 2017. These shares were sold at a gain and the cash will be placed on short term deposit and used to meet the planned works expenditure.

Value for money statement

The Board of the Corporate Trustee has agreed a comprehensive approach to achieve and demonstrate value for money across all parts of its operations, including the Corporate Trustee, Hanover Housing Association, and which is applied to the Charity. A self-assessment statement on how value for money is achieved is included in the Operating and Financial Review of the Annual Report and Accounts for Hanover Housing Association and which can be found on their website at www.hanover.org.uk.

Report of the Board

For the year ended 31 March 2017

Statement of the Board of the Corporate Trustee's responsibilities in respect of the Annual Report and the Financial Statements

Under the governing instrument of the charity and charity law, the Board of the Corporate Trustee is responsible for preparing the Board of Trustee's Annual Report and the Financial Statements in accordance with applicable law and regulations. The Trustee has elected to prepare the Financial Statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Charity and of the surplus or deficit for that period.

In preparing these Financial Statements, the Board of the Corporate Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- state whether the Financial Statements comply with the governing instrument, 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 charity will continue in business.

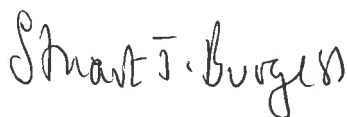
The Board of the Corporate Trustee is required to act in accordance with the governing instrument of the Charity, within the framework of trust law. The Board of the Corporate Trustee is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the association at that time and enable the Board of the Corporate Trustee to ensure that its Financial Statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. The Board of the Corporate Trustee has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Awareness of relevant audit information

The Members of the Board of the Corporate Trustee who held office at the date of approval of this Report of the Board of the Corporate Trustee confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditor is unaware and each Member of the Board of the Corporate Trustee has taken all the steps that they ought to have taken as Members of the Board of the Corporate Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

A resolution to reappoint KPMG LLP as auditor will be proposed at the next annual general meeting.



Rev. Dr. Stuart Burgess CBE
Chair – Board Member



Dame Clare Tickell DBE
Board Member



Michael Fuller
Clerk

Date: 20 July 2017

Independent Auditor's Report

For the year ended 31 March 2017

Independent auditor's report to the Trustee of Almshouse Charity of Elizabeth Smith

We have audited the Financial Statements of the Almshouse Charity of Elizabeth Smith for the year ended 31 March 2017 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the Charity's Trustee as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustee 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 its Trustee 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 Trustee's Responsibilities set out on page 4 the Trustee is responsible for the preparation of Financial Statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. 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 Auditing Practices Board'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 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Independent Auditor's Report
For the year ended 31 March 2017

Independent auditor's report to the Trustee of Almshouse Charity of Elizabeth Smith (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the Financial Statements; or
- the Charity has not kept sufficient accounting records; or
- the Financial Statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

S Beavis

Stephanie Beavis
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Date: *11 August 2017*

Statement of Changes in Reserves
For the year ended 31 March 2017

	Revenue Reserves	Renewals Reserve	Extraordinary Repairs fund	Cyclical maintenance funds	Investment revaluation reserve	Total reserves
	£	£	£	£	£	£
At 1 April 2015	183,217	16,341	21,426	23,777	-	244,761
Transfer to / (from) other reserves	(6,034)	866	(9,832)	15,000	-	-
Surplus for the year	1,341	-	-	-	-	1,341
At 31 March 2016	178,524	17,207	11,594	38,777	-	246,102
Transfer to / (from) other reserves	(1,866)	927	(1,311)	2,250	-	-
Surplus of the year	48,775	-	-	-	-	48,775
At 31 March 2017	225,433	18,134	10,283	41,027	-	294,877

The notes on pages 10 to 19 form part of these Financial Statements

Notes forming part of the Financial Statements

For the year ended 31 March 2017

1(a) Accounting policies

General Information

The Charity provides housing to elderly people. The Charity is a public benefit entity and is registered with both the Homes and Communities Agency – registration number A2643 and the Charities Commission in the United Kingdom - registration number is ~~594415~~ 210463. The registered office is Hanover House, 1 Bridge Close, Staines, TW18 4TB.

The Financial Statements have been prepared in accordance with Financial Reporting Standard 102 – the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) as issued in August 2014, the Statement of Recommended Practice: Accounting by Registered Social Landlords Update 2014 (SORP) and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Under FRS102 section 1A the Charity is exempt from the requirement to prepare a cash flow statement on the basis of its size.

Basis of accounting

The Financial Statements are prepared on the historic cost and accruals basis of accounting, as modified to include the fair value of financial instruments and on the basis of going concern. The Financial Statements are presented in Sterling (£).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Exemptions for qualifying entities under FRS 102

The Charity has elected to apply the following reduced disclosures, which are permitted in accordance with FRS 102:

- Exemption to not disclose a separate cash flow statement in accordance with FRS 102 1.12(b) as the Charity is a qualifying entity.
- Exemption from making disclosures in relation to financial instruments in accordance with FRS 102 1.12(c) as the Charity is a qualifying entity.

Going concern

The Charity's business activities and factors that are likely to affect its plans for future periods are set out in the Strategic Report. The Charity has in place adequate unrestricted reserves and resources to fund its financial obligations as they fall due and its day to day operations.

On this basis, the Corporate Trustee has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and Financial Statements are signed. For this reason, the Charity has adopted the going concern basis in preparing its Financial Statements.

Turnover

Turnover represents rental income from licensees and service charges receivable and turnover is recognised when the Charity is entitled to it. Rental income and service charges receivable are shown net of voids. Void losses are only recognised where the properties are available for letting.

1(a) Accounting policies (*continued*)

Revaluation of current asset investments

Current assets investments are stated at market value. Any unrealised surplus or deficit arising on revaluation of the investments is recognised in the statement of comprehensive income. The aggregate realised surplus or deficit arising on the sale of investments is reflected in the statement of comprehensive income.

Designated reserves

The Charity sets aside a reserve for building repairs and maintenance in accordance with a planned programme of work. This includes external painting, re-painting, repairs and internal decoration of common parts and the estate manager's accommodation.

Fixed assets

Fixed assets are stated using the cost model at cost less cumulative depreciation less impairment. Fixed assets include housing properties held for social benefit purposes and scheme equipment.

Housing properties are principally properties available for rent. Housing properties are stated at cost less accumulated depreciation and impairment. Where housing properties are acquired from third parties the cost is their purchase price together with any costs of acquisition, improvement and interest payable.

Subsequent expenditure to housing properties

Works to existing properties which replace a component that has been identified separately for depreciation purposes, along with those works that result in enhancing the economic benefits of the properties, are capitalised as improvements. Where a component is replaced the cost and related depreciation are eliminated from tangible fixed assets. Economic benefits are enhanced if work performed results in an increase in rental income, a reduction in future maintenance costs or a significant extension to the useful economic life of a property. Shared ownership properties are split between current and non-current assets based on the anticipated proportion to be a first tranche sale with the first tranche proportion recognised as a current asset.

Scheme equipment is shown at cost less cumulative depreciation.

Housing properties are stated at cost less cumulative depreciation.

Depreciation

Freehold land is not depreciated.

Under FRS102, housing properties are required to be depreciated from the latest of completion date and acquisition date. The Charity has elected to depreciate historic cost over a period of 50 years from the applicable date.

Using component costing principles housing properties are divided into components which are depreciated at the following annual rates:

Component	Life (Years)	Depreciation
Building structure, roofing, drainage, roadways and footpaths	50	2.0%
Doors and windows	30	3.3%
Kitchens and bathrooms	25	4.0%
Heating boilers	15	6.6%

Scheme equipment is depreciated at varying annual rates as follows:

Component	Life (Years)	Depreciation
Lifts cars	30	3.3%
Security, heating, aerials and communal kitchen equipment	20	5.0%
Warden alarm, door entry and lift motors	15	6.6%
Other shared areas	10	10.0%
Other scheme equipment	4	25.0%

Notes forming part of the Financial Statements

For the year ended 31 March 2017

1(a) Accounting policies (*continued*)

Social Housing Grant

Social Housing Grant (SHG) is a capital grant made to the Charity towards the cost of acquiring and/or building housing for rent or sale. Under shared ownership arrangements, Social Housing Grant is received from Homes and Communities Agency (HCA) and the Greater London Authority (GLA) on a basis related to cost but varying according to area and type of scheme.

Social Housing Grant is included in Creditors: amounts falling due after more than one year in the Statement of Financial Position and is amortised annually to the Statement of Comprehensive Income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred. The accumulated amortised government grants represent contingent liabilities and materialises when the relevant property to which the amortised grant ceases to be used for social housing purposes usually due to disposal of the housing asset.

Social Housing Grants are accounted for as deferred income and as a liability due within one year and after more than one year. The income is recognised through the statement of comprehensive income over the life of the building structure for which it was received.

Financial instruments - Basic financial instruments

Trade and other debtors / creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

In line with FRS 102 section 34; the Charity as a public benefit entity, has accounted for as concessionary loans all debtors or creditors that would have been classified as financing transactions such as deferred payment arrangement and are therefore being carried in the Statement of Financial Position at amortised cost.

Concessionary loans are financing arrangements between a public benefit entity such as the Charity and another party at nil percent or at below market rate of interest that are not repayable on demand and are for the purposes of furthering the objectives of the public benefit entity.

Short-term investments

Investments made by the Elizabeth Smith Trust are a combination of short term bank deposits and fund investments managed by specialist managers and provided for non profit investors.

The short term bank deposits are classified as basic and recognised at amortised cost using an effective interest rate.

The fund investments are classified as complex instruments and recognised at market value. Market value is based on a publically available price. Gains and losses on revaluation of fund investments are included in the Statement of Comprehensive Income.

Impairment of debtors

Provision is made for the impairment of current rent debtors when the debt is overdue by 90 days or more. The provision is for 60% of the amount overdue. Provision for the debts of former tenants is provided at 70%.

Sales ledger debts aged 3-5 months are provided at 10% of the amount due. Those more than 6 months old are provided at 25%. After this time a decision will be made concerning the write-off of the debt.

Other long-term creditors

Other long-term creditors include the costs of arranging long-term funding and premiums received on the issue of bonds. These amounts are amortised over the period of the underlying financial instrument. Also included in Other long-term creditors is the unamortised element of the social housing grant less an amount due for amortisation in the following year.

1(a) Accounting policies (*continued*)

Financial instruments - Basic financial instruments (*continued*)

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and short term investments, which can be liquidated at short notice with no loss of capital. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

1(b) Judgements and Accounting estimates

The preparation of the Financial Statements requires trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the Financial Statements;

Classification of housing properties

The Charity has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Charity has considered if the asset is held for social benefit or to earn commercial rentals. The Charity determined that its housing portfolio is held for social benefit purposes and is therefore accounted under FRS 102 section 17.

Provision for bad and doubtful debts

Provisions for bad and doubtful debts are calculated based on average collection rate by amount overdue. The Trustee makes judgements about the recoverability of debtors and the bad debt provision rate to apply to each specific debtor based on recoverability risk of the debtor.

Determining whether a debt instrument satisfies the requirement to be treated as basic

Judgement is required to determine whether a debt instrument satisfies the requirements in FRS 102 Paragraph 11.9 to be treated as basic. For debt instruments to be classified as basic financial instruments the interest must be a positive amount or positive rate, at market rates. They should not be index linked excluding RPI and the lender cannot unilaterally amend interest rates. Debt instruments are utilised to provide long term funding for the Charity's operations and not for speculative trading. Facilities with two-way break clauses are judged to be basic.

Notes forming part of the Financial Statements
For the year ended 31 March 2017

20 Deferred grant income

	2017	2016
Balance at 1 April	312,144	312,144
Grant received in year	-	-
Grant repaid/disposed	-	-
	<hr/>	<hr/>
At 31 March	312,144	312,144
Amortisation of grant	74,915	68,152
Prior year adjustment		
In year	6,243	6,763
	<hr/>	<hr/>
At 31 March	81,158	74,915
Deferred grant income at 31 March	230,986	237,229
	 <hr/>	 <hr/>
	2017	2016
Due < 1 year	6,243	6,243
Due > 1 year	224,743	230,986

Notes forming part of the Financial Statements
For the year ended 31 March 2017

14 Creditors: amounts falling due after more than one year (*continued*)

	2017 £	2016 £
Between one and two years	8,479	7,583
Between two and five years	13,736	22,215
In five years or more		-
	<u>22,215</u>	<u>29,798</u>

15 Capital commitments

The Charity had no capital commitments at 31 March 2017 (2016: £Nil).

16 Contingent liabilities

The Board of the Corporate Trustee is not aware of any contingent liabilities (2016: £Nil).

17 Related party transactions

Hanover Housing Association, the Corporate Trustee, also acts as the managing agent for the Charity providing various services for which fees are paid as follows:

Management fees	9,900	9,811
Service charge and technical services fees	2,122	2,452
Alarm and alarm monitoring services	537	533
	<u>12,559</u>	<u>12,796</u>

As part of the arrangement Hanover Housing Association also provides short term funding and cash management for the day to day operations of the Charity and the amount outstanding at 31 March is as follows:

Amount owed by Hanover Housing Association	<u>(3,348)</u>	<u>(2,538)</u>
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18 Legislative provisions

The Charity is an unincorporated charity registered with the Charity Commission.

19 Payments to creditors

The Charity's policy is to pay all invoices within 28 days or in accordance with agreed terms.

Notes forming part of the Financial Statements
For the year ended 31 March 2017

12 Current asset investments

	2017 £	2016 £
Short term deposits	36,196	22,157
Listed investments:		
National Association of Almshouses Common Investment Fund	20,825	17,398
COIF Investment Fund	175,350	146,993
Value at 31 March	<u>232,371</u>	<u>186,548</u>
Cost of listed investments (COIF Investment Fund)	<u>24,935</u>	<u>25,935</u>
Unrealised surplus/(deficit) on Investments	<u>30,784</u>	<u>(1,517)</u>

Analysis of movement of listed investments

Value at 1 April	164,391	164,908
Additions at cost	1,000	1,000
Net surplus/(deficit) on revaluation	30,784	(1,517)
Value 31 March	<u>196,175</u>	<u>164,391</u>

The Charity holds income shares in the National Association of Almshouses Common Investment Fund purchased prior to 1970 and for which no original cost is known.

13 Creditors: amounts falling due within one year

Rents and service charges received in advance	967	2,071
Housing loan repayments (instalments of loan principal and interest payable or accrued)	7,582	6,780
Hanover Housing Association	3,348	2,538
Other creditors, accruals and deferred income	2,318	4,765
Deferred grant income	6,243	6,243
	<u>20,458</u>	<u>22,397</u>

14 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Housing loan repayments	22,215	29,798
Service charge surplus	1,117	558
Deferred grant income	224,743	230,987
	<u>248,075</u>	<u>261,343</u>

The above loan, initially taken out with the Housing Corporation and now due to FRESH plc, is secured by a charge on the Charity's housing land and buildings. The loan was taken out to fund improvements to the Charity's housing properties. Interest on the loan is calculated at 11.50% per annum and the loan is repayable by equal instalments of principal and interest over a 30 year period, the final instalment falling due on 31 August 2020. The total amount of instalments falls due as follows:

Notes forming part of the Financial Statements
For the year ended 31 March 2017

9 Surplus/(Deficit) on revaluation of current asset investment

	2017 £	2016 £
Surplus/(Deficit) on revaluation of current asset investment	30,784	(1,517)

10 Tangible fixed assets

	Freehold housing properties	Scheme Equipment	Total
Cost			
At 1 April 2016 and 31 March 2017	452,419	9,113	461,532
Depreciation			
At 1 April 2016	(115,768)	(3,240)	(119,008)
Charge for the year	(11,616)	(648)	(12,264)
At 31 March 2017	(127,384)	(3,888)	(131,272)
Net book value			
At 31 March 2017	325,035	5,225	330,260
At 31 March 2016	336,651	5,873	342,524

The Charity was established in the late nineteenth century. There is no record of the original cost of the almshouses and no value is attributed thereto. Freehold housing properties detailed above relate to improvements carried out since 1988, which were partly funded by a Housing Corporation Grant of £312,144 and a Residual Mortgage Loan repayable over thirty years. The balance was provided from the Charity's own resources.

11 Debtors

	2017 £	2016 £
Amounts receivable within one year:		
Rent and service charge arrears	205	205
Other debtors, prepayments and accrued income	128	119
	333	324

Notes forming part of the Financial Statements
For the year ended 31 March 2017

2 Particulars of turnover, operating costs and operating surplus

	Turnover	2017 Operating expenditure	Operating surplus
Social housing activities:			
Housing accommodation (see note 3)	57,454	(42,543)	14,911
Amortisation of capital grant	6,243	-	6,243
	<u>63,697</u>	<u>(42,543)</u>	<u>21,154</u>

	Turnover	2016 Operating expenditure	Operating surplus
Social housing activities:			
Housing accommodation (see note 3)	56,459	(56,486)	(27)
Amortisation of capital grant	6,763	-	6,763
	<u>63,222</u>	<u>(56,486)</u>	<u>6,736</u>

3 Particulars of income and expenditure from social housing lettings

	2017 £	2016 £
Income from lettings:		
Rent receivable net of identifiable service charges and rent losses from voids	47,940	47,018
Service charge income	9,514	9,441
Turnover from social housing lettings	<u>57,454</u>	<u>56,459</u>
Expenditure on letting activities:		
Service charge costs	(9,062)	(8,984)
Management	(11,802)	(11,585)
Bad debts written off and movement in provision	(577)	(1)
Routine maintenance	(6,052)	(8,485)
Major repairs expenditure	(2,511)	(14,832)
Depreciation of housing properties	(11,616)	(11,603)
Other costs	(923)	(996)
Operating costs on social housing lettings	<u>(42,543)</u>	<u>(56,486)</u>
Operating surplus/(deficit) on social housing lettings	<u>14,911</u>	<u>(27)</u>
 Rent losses from voids	 <u>(468)</u>	 <u>(1,094)</u>

No segmental analysis is shown for housing accommodation as the Charity owns and manages only general needs accommodation.

Notes forming part of the Financial Statements
For the year ended 31 March 2017

4 Employee information

The Charity does not have employees but purchases services from Hanover Housing Association.

The average number of persons whose services were thus used during the year was:

	2017 Number	2016 Number
Estate manager – part time	1	1
Average number of employees expressed in full time equivalents	-	-
Staff costs (for the above person):	£	£
Wages and salaries	3,150	2,466
Social security costs	193	103
Other pension costs	189	148
	3,532	2,717

5 Interest receivable and similar income

	£	£
Interest receivable from listed investments	814	776
Other interest	38	78
	852	854

6 Interest payable and similar charges

	2017 £	2016 £
On bank loans, overdrafts and other loans	4,015	4,732

7 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging:

Depreciation of fixed assets	12,264	12,251
Auditor's remuneration:		
- In their capacity as auditor (excluding VAT)	650	680

8 Taxation

No provision for UK taxation has been made as all income and gains are used exclusively for charitable purposes and are therefore exempt from taxation.