

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

CHARITY INFORMATION AS AT 31 JULY 2018

Trustees	Rev J Hall (Chairman) (until 31 July 2018) W A Longmuir W D May (Life Member) Mrs B Sladen Mrs A Beale Councillor A Sullivan Councillor M Base Mr B Halliday Mrs A Ongley (from 16 May 2018)
Clerk	G E Sladen (until January 2018)
Registered Charity Number	225510
Homes and Communities Agency Reference	A3564
Registered address	Anchor Oast Rochester Road Aylesford Kent ME20 7EA
Accountants	MHA MacIntyre Hudson Victoria Court 17-21 Ashford Road Maidstone Kent ME14 5DA
Bankers	National Westminster Bank Plc 3 High Street Maidstone Kent ME14 1XU

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

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THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2018

The trustees have pleasure in presenting their annual report and financial statements for the year ended 31 July 2018

Objectives and Activities of the Charity

The charity's objective is to provide almshouse accommodation for aged poor and deserving persons within the parish of Aylesford in accordance with the Trust Deed dated 22 July 1960. The charity is registered with the Charity Commission (registration number 225510), and with the Homes and Communities Agency (registration number A3564). The activities for the year are set out on pages 4 and 5 in the Statement of Comprehensive Income.

Structure, governance and management

The board of trustees consists of a maximum of three ex-officio trustees, being the vicar and churchwardens in the parish of Aylesford, two nominative trustees appointed by Tonbridge and Malling Borough Council for a four year term, and three co-optative trustees appointed for a five year term at a meeting of the trustees. They are local people, often but not always with some connection to the church, who are thought to be suitable on account of their skills and interests. At induction, new Trustees are given copies of the minutes of recent board meetings and a copy of "The Essential Trustee" produced by the Charities Commission and dated June 2005.

All decisions are made by the trustees at meetings held several times a year.

The following trustees held office during the year and since the year end:

W A Longmuir	
W D May (Life Member)	
B Sladen	
A Beale	
A Sullivan	
M Base	
B Halliday	
A Ongley	(from 16 May 2018)
J Hall (Chairman)	(until 31 July 2018)

Achievements and Performance

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission. During the year, in accordance with the Charity's aims, the charity's principal activity for the public benefit was to provide supported housing consisting of eleven single flats and three double flats. All of the flats were occupied for the whole year.

The deficit for the year amounts to £1,260 (2017 - surplus £29,741) and the detail thereof is set out on pages 4 and 5.

Risk management

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate the exposure to major risks.

Value for money statement

The Trustees' strive to achieve and demonstrate value for money in all the operations of the charity.

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

Financial Review

Policy on reserves

There is no formal policy. The trustees have to be prepared to meet an unexpected crisis, although the buildings and contents are insured appropriately.

The cyclical maintenance fund is designed to meet the cost of routine maintenance and repairs, whereas the extraordinary repair fund is designed to meet the costs of unexpected repairs and other work.

By order of the board

W A Longmuir
Trustee

Date: 09-Jan-19

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

ACCOUNTANT'S REPORT TO THE BOARD OF TRUSTEES ON THE UNAUDITED ACCOUNTS OF THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

We report on the accounts for the year ended 31 July 2018, set out on pages 4 to 14.

Respective responsibilities of the Board and reporting accountants

The Board of the Registered Social Housing Provider is responsible for the preparation of the accounts, and they consider that the Registered Social Housing Provider is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the accounting records kept by the Registered Social Housing Provider and making such enquiries of the officers of the Registered Social Housing Provider as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion

Opinion

In our opinion:

- the accounts for the year ended 31 July 2018 are in accordance with the accounting records kept by the Registered Social Housing Provider under paragraph 135(2)(a) of the Housing and Regeneration Act 2008;
- having regard only to, and on the basis of the information contained in the accounting records:
- the accounts comply with the requirements of the Charities Act 2011;
- the Registered Social Housing Provider has satisfied the conditions for exemption from an audit of the accounts for the year ended 31 July 2018 specified in section 136(3) of the Housing and Regeneration Act 2008;
- the accounts comply with the requirements of the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

MHA MacIntyre Hudson
Reporting Accountants
Victoria Court
17-21 Ashford Road
Maidstone
Kent
ME14 5DA

Date: 10 January 2019

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2018

	Notes	£	2018 £	£	2017 £
Turnover					
Weekly maintenance contributions			55,592		53,808
Deferred grant income released			<u>8,025</u>		<u>8,025</u>
			63,617		61,833
Less operating expenditure:					
Direct Costs					
Common area rates		3,235		3,690	
Insurance		1,923		1,851	
Heating and lighting		268		330	
Routine repairs and maintenance		12,201		6,170	
Cleaning		752		602	
Community alarm scheme		11		142	
Fire risk assessment		8,195		500	
Fire protection work		1,871		-	
Surveyor and structural engineer		2,551		-	
External repairs and decoration		19,657		-	
Common room expenses		420		-	
Showers		80		955	
Skylights		360		-	
Retaining wall		2,000		-	
Decking		1,950		-	
Electrics to shed		620		-	
Power cleaning and treating leaks		-		1,435	
Flat 8 underlay		-		288	
Flat clearance		-		180	
Flat 14/16 expenses		-		1,530	
Surveyor's fee		-		1,482	
Electrical inspection fees		-		3,150	
Bad and doubtful debts		-		17	
Bank charges		10		-	
Management fees		342		-	
Depreciation		<u>16,297</u>		<u>16,297</u>	
			<u>(72,743)</u>		<u>(38,619)</u>
Gross Deficit			(9,126)		23,214
Management costs					
Clerk's fees and expenses		848		1,896	
Clerk's leaving gift		850		-	
Sundry office expenses		545		376	
Legal and prof fees		180		1,305	
Architect and planning fee		1,950		-	
Accountancy		1,776		1,740	
Charitable donations - other		<u>14</u>		<u>20</u>	
			(6,163)		(5,337)
Operating (deficit)/surplus carried forward	2		(15,289)		17,877

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2018

		2018		2017
	£	£	£	£
Operating (deficit)/surplus brought forward		(15,289)		17,877
Interest receivable and similar income				
NAACIF distributions received		1,012		1,024
NAACIF accumulated income received		12,338		12,156
Interest received		71		79
		<u>13,421</u>		<u>13,259</u>
Income from investments				
Profit on disposal of listed investments	6	1,305		-
Interest and financing costs				
Interest payable	4	<u>(697)</u>		<u>(1,395)</u>
(Deficit)/surplus/total comprehensive income for the year		<u>(1,260)</u>		<u>29,741</u>

The only recognised gain or loss is the deficit for the year of £1,260 (2017 - surplus £29,741).

There is no difference between the reported surplus for the year as stated above and historical cost surpluses or deficits.

The results relate wholly to continuing activities.

The financial statements were approved by the board of trustees on 9 January 2019 and signed on its behalf by:

W A Longmuir
Trustee

A Beale
Trustee

The notes on page 9 to 14 form part of these Financial Statements.

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Housing properties at depreciated cost	5		380,696		396,993
Investments	6		242,038		243,395
			<u>622,734</u>		<u>640,388</u>
Current assets					
Trade and other debtors	7	2,266		1,959	
Cash and cash equivalents		44,139		44,242	
			<u>46,405</u>	<u>46,201</u>	
Creditors: amounts falling due within one year	8	(12,668)		(19,501)	
Net current liabilities			<u>33,737</u>		<u>26,700</u>
Total assets less current liabilities			656,471		667,088
Creditors: amounts falling due after more than one year	9		(184,591)		(193,948)
Net assets			<u>471,880</u>		<u>473,140</u>
Capital and reserves					
Designated funds					
Cyclical maintenance reserve			34,000		34,000
Extraordinary repair fund			83,262		77,713
Income and expenditure reserve			354,618		361,427
			<u>471,880</u>		<u>473,140</u>

The financial statements were approved by the board of trustees on 9 January 2019 and signed on its behalf by:

W A Longmuir
Trustee

A Beale
Trustee

The notes on pages 9 to 14 form part of these financial statements.

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2018

	Total	Cyclical maintenance reserve	Extraordinary repair fund	Income and expenditure reserve
	£	£	£	£
Balance at 1 August 2017	473,140	34,000	77,713	361,427
Surplus from statement of comprehensive income	(1,260)		-	(1,260)
Transfers from income and expenditure account to extraordinary repair fund	-	-	5,549	(5,549)
Balance at 31 July 2018	<u>471,880</u>	<u>34,000</u>	<u>83,262</u>	<u>354,618</u>

The notes on pages 9 to 14 form part of these Financial Statements.

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2018**

	2018 £	2017 £
Net cash generated from operating activities (see note 11)	(7,797)	234
Cash flow from investing activities		
Purchase of tangible fixed assets	-	(28,096)
Purchase of investments	-	(30,000)
Proceeds from sale of investments	15,000	-
Interest receivable and similar income	1,083	1,103
	<u>16,083</u>	<u>(56,993)</u>
Cash flow from financing activities		
Interest paid	(697)	(1,395)
Repayments of borrowings	(7,693)	(6,994)
	<u>(8,390)</u>	<u>(8,389)</u>
Net change in cash and cash equivalents	(104)	(65,148)
Cash and cash equivalents at 1 August 2017	<u>44,242</u>	<u>109,390</u>
Cash and cash equivalents at 31 July 2018	<u>44,138</u>	<u>44,242</u>
Cash and cash equivalents consist of:		
Cash at bank and in hand at 31 July 2018	<u>44,138</u>	<u>44,242</u>

The notes on pages 9 to 14 form part of these Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1 Accounting policies

The charity is registered with the Charities Commission as a charitable trust and with the Regulator of Social Housing as a registered provider of social housing. The charity is a public benefit entity.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 - the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The accounts are presented in sterling which is the operational currency of the charity and are rounded to the nearest pound.

1.1 Fixed assets - housing property

The Hospital of the Holy Trinity was built in the first quarter of the seventeenth century. There is no record of the original cost and accordingly no value is attributed thereto.

Cost brought forward, therefore, represents development expenditure incurred on the Hospital in the late 1980s and early 1990s. Where the costs of development have not qualified for Housing Association Grants and have not been considered for mortgage loans by the relevant lending authority they have been met out of reserves.

The trustees perform annual impairment reviews to ensure that the recoverable amount is not lower than the carrying value. In accordance with FRS102, cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

1.2 Component Accounting

Major components of housing properties capitalised are accounted for and depreciated separately from the connected housing property over their expected useful lives.

No separate components are accounted for on the development expenditure incurred in the late 1980s and early 1990s as the capitalised costs represent the expenditure carried out in converting the existing accommodation from single rooms with a shared bathroom and toilets to twelve single and two double self-contained flats in the late 1980s and early 1990s. The costs are therefore not separable and are depreciated as shown in note 1.3.

Roofing works were completed in the year ended 31 July 2017 and are now being depreciated as shown in note 1.3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

1.3 Depreciation

The trustees have elected to depreciate the components of the housing properties at the following annual rates:

Component	Life (Years)	Depreciation
Development expenditure	50	2%
Roofing	30	3.30%
Boilers	15	6.60%

1.4 Housing Association Grant

Housing Association Grant (HAG) was paid by the Housing Corporation to reduce the cost of development and is 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. HAG is repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to the proceeds of sale.

1.5 Investments

Fixed asset investments are valued at cost less a reduction for any permanent diminution in value.

They are not valued at market value as the market is quite volatile and resultant increases and decreases in value would not aid the user's understanding of the accounts.

Investment income is credited to the accounts on an accruals basis.

1.6 Extraordinary repairs fund

This is a designated reserve and represents amounts set aside to carry out major repairs on housing property. Sums provided each year for this purpose are invested in the Charities Official Investment Fund Accumulation Shares or the COIF Charities Deposit Fund.

1.7 Cyclical maintenance reserve

This is a designated reserve and represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

1.8 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.9 Monthly maintenance contributions and rental income

Monthly maintenance contributions represent the rental charges income receivable for the year from the supported housing, net of rent losses from voids, and includes Supporting People income where this has been used to reduce the rents collected from the tenant.

Rental income represents rent receivable for the year from sources other than supported housing.

1.10 Donations and other voluntary income

Donations and other voluntary income are included in the accounts in the period in which they are received.

1.11 Resources Expended

Expenditure is included on an accruals basis

1.12 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

2	Social housing income and expenditure	2018 £	2017 £
	Rents receivable net of rent losses from voids	55,592	53,808
	Amortisation of capital grants	8,025	8,025
		<u>63,617</u>	<u>61,833</u>
	Social housing operating costs:		
	Direct costs	72,743	38,619
	Management costs	6,163	5,337
		<u>78,906</u>	<u>43,956</u>
	Operating (deficit)/surplus on social housing lettings	(15,289)	17,877
	Memo only:		
	Non social housing activities	-	-
		<u>-</u>	<u>-</u>
	Operating (deficit)/surplus	<u>(15,289)</u>	<u>17,877</u>
	Void losses	<u>-</u>	<u>960</u>
	No segmental analysis is shown for housing accommodation as the Charity owns and manages only supported housing for older people.		
3	Operating surplus	2018 £	2017 £
	Operating surplus is stated after charging:		
	Depreciation of tangible assets	16,681	16,297
	And after crediting:		
	Amortisation of capital grants	8,025	8,025
		<u>8,025</u>	<u>8,025</u>
	During the year the charity had two employees, the clerk to the trustees and a cleaner. Their remuneration was £465 (2017 £1,550) and £752 (2017 £602) respectively. None of the trustees received any remuneration during the year, however one of the Trustees received £420.36 of reimbursed expenses relating to the refurbishment of the Common Room (2017 £nil).		
	Rent losses arising from void periods in the year amounted to £nil (2017 £960).		
4	Interest and financing costs	2018 £	2017 £
	Interest on loans wholly repayable within five years	697	1,395

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

5 Tangible fixed assets

	Development expenditure £	Roofing £	Boilers £	Total £
Cost or valuation				
At 1 August 2017	563,309	93,597	28,680	685,586
Additions	-	-	-	-
At 31 July 2018	563,309	93,597	28,680	685,586
Depreciation				
At 1 August 2017	281,650	3,119	3,824	288,593
Charge for the year	11,266	3,119	1,912	16,297
	292,916	6,238	5,736	304,890
Net book value				
At 31 July 2018	270,393	87,359	22,944	380,696
At 31 July 2017	281,659	90,478	24,856	396,993

There are 14 (2017 - 14) managed supported housing units.

The loan included in creditors due within one year is secured by a charge on the freehold property.

6 Fixed Asset investments

	£	
Cost		
At 1 August 2017	243,395	
Additions	12,338	
Disposals	(13,695)	
At 31 July 2018	242,038	
	Valuation	
	£	
At 31 July 2018	353,965	
At 31 July 2017	347,784	
Sale of fixed asset investments		
	2018	2017
	£	£
Sale proceeds	15,000	-
Cost of investments sold	13,695	-
Profit on sale	1,305	-

The net book value represents the original cost of shares in the National Association of Almshouses Common Investment Fund held by M & G Securities on behalf of the Hospital of the Holy Trinity, Aylesford.

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

7	Debtors	2018	2017
		£	£
	Maintenance contributions in arrears	-	4
	Prepayments and accrued income	2,266	1,955
		<u>2,266</u>	<u>1,959</u>
8	Creditors: amounts falling due within one year	2018	2017
		£	£
	Maintenance contributions paid in advance	332	5
	Other creditors and accruals	2,979	3,778
	Loan repayments	1,332	7,693
	Deferred grant income	8,025	8,025
		<u>12,668</u>	<u>19,501</u>
9	Creditors: amounts falling due after more than one year	2018	2017
		£	£
	Loan repayments	-	1,332
	Deferred grant income	184,591	192,616
		<u>184,591</u>	<u>193,948</u>
10	Analysis of loans	2018	2017
		£	£
	Wholly repayable within five years	1,332	9,025
	Included in current liabilities	(1,332)	(7,693)
		<u>-</u>	<u>1,332</u>
	Loan maturity analysis		
	In more than one year but not more than two years	-	1,332
	In more than two years but not more than five years	-	-
		<u>-</u>	<u>1,332</u>
11	Cash flow from operating activities	2018	2017
		£	£
	(Deficit)/surplus for the year	(1,260)	29,741
	Adjustments for non-cash items:		
	Depreciation of tangible fixed assets	16,297	16,297
	Amortisation of grant	(8,025)	(8,025)
	Decrease/(increase) in trade and other debtors	(307)	265
	Increase/(decrease) in trade and other creditors	(473)	(26,180)
	Adjustments for investing or financing activities:		
	Profit on disposal of investments	(1,305)	-
	Interest payable	697	1,395
	Interest receivable and similar income	(13,421)	(13,259)
		<u>(7,797)</u>	<u>234</u>

The loan due to Orchardbrook Limited is secured by a charge on the housing property. The mortgage is at the fixed rate of 9.75% and is repayable in equal instalments of principle and interest, the final instalment falling due in October 2018.

THE HOSPITAL OF THE HOLY TRINITY, AYLESFORD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

12 Related party relationships and transactions

At the date of these financial statements two of the Trustees were councillors appointed as Trustees by Tonbridge and Malling Borough Council under the terms of the Trust Deed. Any transactions with local authorities are at arms length, on normal commercial terms and Trustees cannot use their position to their advantage

13 Capital and other commitments

The charity had no capital commitments at 31 July 2018 (2017: £nil). Other financial commitments at 31 July 2018 amounted to approximately £nil (2017: £36,300).

14 Contingent liabilities

The Trustees are not aware of any contingent liabilities (2017: Nil).