

**Jane Cameron's Old People's Charity**

Annual Report and Financial Statements

Year Ended 31 March 2019

Registered with the Charity Commission Number 227487

Registered with the Regulator of Social Housing Number A1254

# Annual Report and Financial Statements

## For the year ended 31 March 2019

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### Advisers and bankers

Clerk and Registered Office	Bankers	Auditor
Mary Keane The Heals Building Suites A&B 3rd floor 22 – 24 Torrington Place London WC1E 7HJ	Barclays Bank plc. 1 Churchill Place Canary Wharf London E14 5HP	BDO LLP 55 Baker street London W1U 7EU

# **Strategic Report**

For the year ended 31 March 2019

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## **Structure, Governance and Management**

### **Trustee**

Anchor Hanover Group 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 18 of the notes to the Financial Statements.

Details of the membership, structure and policy for admitting new members to the Board of Anchor Hanover Group can be found in the annual report of the Association and on their website at [www.anchorhanover.org.uk](http://www.anchorhanover.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 minimal employees as revealed in Note 4 to these accounts. The administration of the Charity is undertaken by employees of Anchor Hanover Group.

### **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.

### **Objectives and Activities**

The governing instrument for this Charity is a Charity Commission Scheme dated 28 April 1966.

The areas of activity are the Parishes of Bishop Auckland, Darlington, Durham and Jarrow, in the North East of England. The Charity has 101 sheltered properties for the elderly.

The objective of the Charity is to provide accommodation for elderly persons who have been resident in the area of activity for at least one year.

## **Governance and Financial Viability Standard**

The Corporate Trustee is Anchor Hanover Group a Private Registered Provider. The Board of Anchor Hanover Group 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 in the financial year (2018: £Nil).



## Financial Review

The activities for the year are set out on page 8 in the Statement of Comprehensive Income. There is a surplus of £199,645 for the year (2017/18: £192,842). A reduction relating to amortisation of capital grant in the year to £5,997 compared to (2017/18 £112,145) is offset by lower depreciation costs £83,370 (2017/18: £178,941) and accounts for the majority of the favourable movement between years. This is partially offset by higher other costs totalling £33,105 (2017/18: £4,402) this is due to the disposal of the heating system which was replaced in the year.

Capital expenditure incurred in the year of £93,543 (2017/18: £150,030) includes the replacement of the heating system at Darlington and electrical wiring at Jarrow.

## 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 Anchor Hanover Group. At this time there is no immediate significant expenditure required but this will be kept under annual review.

## Value for money statement

As a corporate trust of the Anchor Hanover Group, (AHG) the strategic and operational management of the properties is fully aligned to the wider stock portfolio of AHG. As such the approach to VFM for the Corporate Trusts is fully integrated and therefore does not differ to the approach adopted for AHG. For a copy of the self-assessment we would therefore refer to that contained with Anchor Hanover's annual report.

However under the Value for Money Standard issued by the Regulator of Social Housing in April 2018 and the subsequent Value for Money Metrics Technical Note Guidance issue in June 2018 registered providers with a stock of less than 1,000 units are required to publish their VfM metrics. These are shown below and are in addition to the overall approach taken to achieving value for money by the Board of the Corporate Trustee (or Anchor Hanover Group as Managing agent).

Under the Value for Money Standard issued by the Regulator of Social Housing in April 2018 and the subsequent Value for Money Metrics Technical Note Guidance issue in June 2019 registered providers with a stock of less than 1,000 units are required to publish their Value for Money metrics. These are shown below for the Charity and are in addition to the overall approach taken to achieving value for money by Anchor Hanover Group as managing agent.

	2019	2018
<b>Metric 1 - Re-investment %</b>	0%	0%
This metric looks at the investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held. For the Charity with its limited resources the focus is on maintaining its existing properties in to the future. Planned and routine maintenance are a part of this and all, but the largest planned works are expended through the Statement of Comprehensive Income and charged to the cyclical and extraordinary repairs reserves.		
	2019	2018
<b>Metric 2a: New supply (social housing units) %</b>	0%	0%
<b>Metric 2b: New supply (non-social housing units) %</b>	0%	0%

This metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end. The Charity's focus is on maintaining its existing properties in to the future and currently does not have the financial capacity to develop new properties.

**Value for money statement (continued)**

	<b>2019</b>	<b>2018</b>
<b>Metric 3: Gearing %</b>	20%	20%

This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. The Charity has no loans or overdraft facilities. The increasingly negative ratio from 2018 to 2019 is due to the surplus generated during the year and the absence of any planned maintenance expenditure. The tangible fixed assets which the cash and loans are compared to is also relatively low as there is no cost associated with the original cost of the properties, only subsequent capitalised repairs expenditure.

	<b>2019</b>	<b>2018</b>
<b>Metric 4: EBITDA MRI interest cover %</b>	2598%	1571%

This metric is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates, adjusted for amortisation and depreciation, compared to interest payable.

	<b>2019</b>	<b>2018</b>
<b>Metric 5: Headline social housing cost per unit</b>	3,331	2,817

This metric assesses the headline social housing cost per unit as defined by the Regulator. The increase in the cost per unit for 2019 is due to the increased routine maintenance costs incurred in the year.

	<b>2019</b>	<b>2018</b>
<b>Metric 6a - Operating margin (social housing lettings)</b>	30%	18%
<b>Metric 6b - Operating margin (overall)</b>	31%	32%

This metric demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business. In assessing this ratio, it is important that consideration is given to registered providers' purpose and objectives (including their social objectives). For the Charity the relatively high ratios for 2019 and 2018 are a result of there being no major repairs expenditure in either year, while the reduction in 2019 is due to the increased routine maintenance costs incurred.

	<b>2019</b>	<b>2018</b>
<b>Metric 7: Return on capital employed (ROCE) %</b>	9%	12%

This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.



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

Under the trust deed and rules of the charity and charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including 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 excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- 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 trust deed and rules, subject to any material departures disclosed and explained in the financial statements; and
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have 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.

## **Report of the Board**

For the year ended 31 March 2019

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### **Auditor**

BDO LLP has been appointed as auditor following the merger of Hanover Housing Association with Anchor Trust to form Anchor Hanover Group.

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

### **By order of the Board of the Corporate Trustee**



**Jane Ashcroft CBE**  
Board Member



**Sarah Jones**  
Executive Board Member



**Mary Keane**  
Clerk

Date: 25<sup>th</sup> September 2019



# **Independent Auditor's Report**

For the year ended 31 March 2019

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM PAUL HOUSING TRUST**

### **Opinion**

We have audited the financial statements of William Paul Housing Trust ("the Association") for the year ended 31 March 2019 which comprise the Association statement of comprehensive income, the Association statement of financial position, the Association statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2019 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The [board] are responsible for the other information. Other information comprises the information included in the *annual report*, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, Statement of Corporate Governance and Internal Controls and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.



## Independent Auditor's Report

For the year ended 31 March 2019

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

We have nothing to report in respect of the following matters where we are required by the Charities Act 2011 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the Association, or returns adequate for our audit have not been received from branches not visited by us; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- a satisfactory system of control has not been maintained over transactions; or
- certain disclosures of board member and or directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the board

As explained more fully in the board members responsibilities statement set out on page 5, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the [board members] determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the members of the Association, as a body, in accordance with in accordance with the Housing and Regeneration Act and to the charities trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP  
Statutory Auditor  
London

30 September 2019

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

## Statement of Comprehensive Income

For the year ended 31 March 2019

	Note	2019 £	2018 £
<b>Turnover</b>	2	586,959	679,625
Operating expenditure	3	(407,629)	(463,050)
<b>Operating surplus</b>		179,330	216,575
Loss on disposal of fixed assets		0	0
Interest receivable and similar income	5	4,507	1,582
Interest payable and similar charges	6	(17,699)	(18,137)
<b>Surplus on ordinary activities</b>		166,138	200,020
Surplus/(Deficit) on revaluation of current asset investments	11	33,507	(7,178)
<b>Total comprehensive income for the year</b>		199,645	192,842

There is no material difference between the surplus for the year as stated above and its historical cost equivalent.

All amounts relate to continuing activities.

The notes on pages 13 to 24 form part of these Financial Statements.

**Statement of Financial Position**  
For the year ended 31 March 2019

		2019	2019	2018	2018
	Note	£	£	£	£
<b>Fixed Assets</b>					
Housing properties	9		753,709		772,548
Other fixed assets	9		39,185		43,445
			<u>792,894</u>		<u>815,993</u>
<b>Current assets</b>					
Trade and other debtors	10	10,334		3,232	
Short term investment	11	1,288,914		1,105,901	
Cash at bank and in hand	12	332		332	
Less creditors:		0			
Amounts falling due within one year	13	<u>(41,134)</u>		<u>(62,687)</u>	
Net current assets			1,258,446		1,046,778
<b>Total assets less current liabilities</b>			<u>2,051,340</u>		<u>1,862,771</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(180,023)</u>		<u>(191,099)</u>	
<b>Total net assets</b>			<u>1,871,317</u>		<u>1,671,672</u>
<b>Capital and reserves</b>					
Revenue reserves			1,346,489		1,163,870
Designated reserves			524,828		507,802
			<u>1,871,317</u>		<u>1,671,672</u>

The notes on pages 13 to 24 form part of these Financial Statements.

The Financial Statements were approved for issue on behalf of the Corporate Trustee by the Board of Anchor Hanover Group on 25<sup>th</sup> September 2019 and were signed by:

  
**Jane Ashcroft CBE**  
Board Member

  
**Sarah Jones**  
Executive Board Member

  
**Mary Keane**  
Clerk

Registered with the Charity Commission Number 227487



**Statement of Changes in Reserves**  
For the year ended 31 March 2019

	<b>Revenue Reserves</b>	<b>Renewals Reserve</b>	<b>Extraordinary Repairs Reserve</b>	<b>Cyclical maintenance Reserve</b>	<b>Total Reserves</b>
At 1 April 2017	987,126	152,333	72,910	266,461	1,478,830
Transfer (to)/from other reserves	(16,098)	27,195	(16,130)	5,033	-
Surplus for the year	192,842	-	-	-	192,842
At 31 March 2018	<b>1,163,870</b>	<b>179,528</b>	<b>56,780</b>	<b>271,494</b>	<b>1,671,672</b>
Transfer (to)/from other reserves	(17,026)	11,495	5,820	(289)	-
Surplus for the year	199,645	-	-	-	199,645
At 31 March 2019	<b>1,346,489</b>	<b>191,023</b>	<b>62,600</b>	<b>271,205</b>	<b>1,871,317</b>

The notes on pages 13 to 24 form part of these Financial Statements.

**Statement of Cash Flows**  
For the year ended 31 March 2019

	2019 £	2018 £
<b>Cash flow from operating activities:</b>		
Operating surplus for the year	179,330	216,575
Depreciation of tangible fixed assets	88,350	183,921
Amortisation of grant	(5,998)	(112,145)
(Increase)/ Decrease in trade and other debtors	(7,102)	4,131
(Decrease)/Increase in trade and other creditors	(21,753)	9,123
	<b>232,827</b>	<b>301,605</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(65,251)	(150,030)
Proceeds from sale of investments	-	-
Purchase of investments	-	(492,822)
Associated costs of disposal	-	-
Grants received	-	-
Grants repaid	-	-
Interest received	4,507	1,582
Fair Value Investments	-	(7,178)
	<b>172,083</b>	<b>(346,843)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(17,699)	(18,137)
Repayment of borrowings	(4,878)	(4,439)
	<b>149,506</b>	<b>(369,419)</b>
<b>Net change in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	613,410	982,637
Cash and cash equivalents at end of the year	762,916	613,218
	<b>149,506</b>	<b>(369,419)</b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	332	140
Monies on deposit	762,584	613,079
Total cash and cash equivalents	762,916	613,219

The notes on pages 13 to 24 form part of these Financial Statements.

**1(a) Accounting policies**

**General information**

The Charity provides housing to elderly people. The Charity is a public benefit entity and a registered with the both the Homes and Communities Agency – registration number A1254 and Charities Commission in the United Kingdom - registration number is 227487. The registered office is The Heals Building Suites, A & B 3rd floor, 22 – 24 Torrington Place, London, WC1E 7HJ.

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.

**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.

**Employees**

The Charity has minimal employees as revealed in Note 4. The administration of the Charity is undertaken by employees of Anchor Hanover Group.

**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.

**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.



# Notes forming part of the Financial Statements

## For the year ended 31 March 2019

### 1(a) Accounting policies (*continued*)

#### 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 and shared ownership properties. 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.

#### 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%
Cleaning equipment	5	20.0%
Other scheme equipment	4	25.0%

**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.

Where grant is received on items treated as revenue expenditure, it is treated as revenue grant and is recognised as other income in the Statement of Comprehensive Income when the performance conditions have been met.

Grants are usually repayable unless formally abated, waived or recycled. Therefore they may be repayable in certain circumstances, primarily the sale of property. This can be the case even where the grant has been treated as a revenue grant for accounting purposes.

**Financial instruments - Basic financial instruments**

**Trade and other debtors / creditors**

Trade and other debtors / 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 Jane Cameron Charity 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.



## Notes forming part of the Financial Statements

### For the year ended 31 March 2019

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#### 1(a) Accounting policies (*continued*)

##### **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.

##### **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 instruments 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 2019

**2 Particulars of turnover, operating costs and operating surplus**

	Turnover £	2019 Operating costs £	Operating surplus £
<b>Social housing activities:</b>			
Housing accommodation (see note 3)	580,962	(364,658)	216,304
Amortisation of capital grant	5,997	-	5,997
	<u>586,959</u>	<u>(364,658)</u>	<u>222,301</u>

	Turnover £	2018 Operating costs £	Operating surplus £
<b>Social housing activities:</b>			
Housing accommodation (see note 3)	567,480	(463,050)	104,430
Amortisation of capital grant	112,145	-	112,145
	<u>679,625</u>	<u>(463,050)</u>	<u>216,575</u>

**Notes forming part of the Financial Statements**  
For the year ended 31 March 2019

**3 Particulars of income and expenditure from social housing lettings**

	2019 £	2018 £
<b>Income from lettings</b>		
Rent receivable net of identifiable service charge and rent los	469,597	458,288
Service charge income	109,417	107,294
<b>Net rental income</b>	579,014	565,582
Other service income	1,948	1,898
<b>Turnover from social housing lettings</b>	580,962	567,480
<b>Expenditure on letting activities</b>		
Service charge costs	(98,194)	(96,053)
Management	(105,130)	(101,363)
Bad debts written off and movement in provision	(2,293)	(489)
Routine maintenance	(79,237)	(53,552)
Major repairs expenditure	(6,300)	(28,250)
Depreciation of housing properties	(83,370)	(178,941)
Other costs	(33,105)	(4,402)
<b>Operating costs on social housing lettings</b>	(407,629)	(463,050)
<b>Operating surplus on social housing lettings</b>	173,333	104,430
<b>Rent losses from voids</b>	(9,443)	(4,629)

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 2019

**4 Employee information**

The Trust does not have employees but purchases services from Anchor Hanover Group, details of which are given below:

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

	2019 Number	2018 Number
Estate managers - part time	4	4
Average number of employees expressed in full time equivalents	2	2

	2019 £	2018 £
Staff costs (for the above persons)		
Wages and salaries	46,304	45,110
Social security costs	2,640	2,650
Other pension costs	3,541	3,013
	<u>52,485</u>	<u>50,773</u>

**5 Interest receivable and similar income**

	2019 £	2018 £
Other interest	<u>4,507</u>	<u>1,582</u>

**6 Interest payable and similar charges**

	2019 £	2018 £
On local authority loans	<u>17,699</u>	<u>18,137</u>

**7 Surplus on ordinary activities**

	2019 £	2018 £
Is stated after charging:		
Depreciation of fixed assets	<u>88,350</u>	<u>183,921</u>
Auditors remuneration:		
- In their capacity as auditors (excluding VAT)	<u>2133</u>	<u>2,280</u>



## 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.

9 Tangible fixed assets	Freehold housing properties	Scheme equipment	Total
	£	£	£
<b>Cost</b>			
At 1st April 2018	2,942,728	153,618	3,096,346
Additions	93,543	720	94,263
Disposals	(227,671)		(227,671)
	<hr/>		
At 31st March 2019	2,808,600	154,338	2,962,938
<b>Depreciation</b>			
At 1st April 2018	(2,170,180)	(110,173)	(2,280,353)
Charge in year	(83,370)	(4,980)	(88,350)
On disposals	198,658		198,658
	<hr/>		
At 31st March 2019	(2,054,892)	(115,153)	(2,170,045)
<b>Net book value</b>			
As at 31st March 2019	753,709	39,185	792,894
	<hr/>		
As at 31st March 2018	772,548	43,445	815,993
	<hr/>		

**Notes forming part of the Financial Statements**  
For the year ended 31 March 2019

<b>10 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts receivable within one year		
Rent and service charge arrears	5,430	503
Less: bad debt provision		-
	<u>5,430</u>	<u>503</u>
Service charge deficits	2,330	-
Anchor Hanover Group	-	-
Other debtors, prepayment and accrued income	<u>676</u>	<u>480</u>
	<u>8,436</u>	<u>983</u>
Amounts receivable after more than one year:		
Service charge deficits	<u>1,898</u>	<u>2,249</u>
	<u>10,334</u>	<u>3,232</u>

<b>11 Investments</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Short term deposits	762,585	613,079
Investments listed on a recognised exchange	526,329	492,822
	<u>1,288,914</u>	<u>1,105,901</u>
Value at 31 March		
Cost of Listed Investment	<u>500,000</u>	<u>500,000</u>
Analysis of movement in listed investments		
Value at 1 April	492,822	-
Additions at cost	-	500,000
(Deficit)/Surplus on revaluation	33,507	(7,178)
	<u>526,329</u>	<u>492,822</u>
Value at 31 March		

**12 Cash at bank and in hand**

Cash at the bank is made up of cash held on behalf of estates and general funds. All of the Charity's cash is available at short notice and is unrestricted.

**13 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Rents and service charges received in advance	4,203	7,959
Housing loan repayments	5,360	4,877
Anchor Hanover Group	5,829	27,452
Service charge surpluses	212	3,633
Deferred capital grant income	5,997	5,997
Other creditors, accruals and deferred income	19,533	12,769
	<u>41,134</u>	<u>62,687</u>

## Notes forming part of the Financial Statements

For the year ended 31 March 2019

### 14 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Housing loan repayments	143,595	148,956
Service charges surpluses	444	161
Deferred housing grant	35,984	41,982
	<u>180,023</u>	<u>191,099</u>

Housing loans from two Local Authorities are secured by specific charges on the Charity's housing properties and land and are repayable at varying rates of interest in instalments due as follows:

	2019 £	2018 £
Between one and two years	5,895	5,360
Between two and five years	21,506	19,528
In five years or more	116,194	124,067
	<u>143,595</u>	<u>148,956</u>

### 15 Capital commitments

The Trust had no capital commitments at 31 March 2018 (2017: Nil).

### 16 Contingent liabilities

The Board of the Corporate trust is not aware of any contingent liabilities (2017: Nil).



## Notes forming part of the Financial Statements

For the year ended 31 March 2019

### 17 Deferred Grant

The Charity receives financial assistance from government sources such as the HCA and GLA. These government grants are accounted for as deferred income in the Statement of Financial Position and are amortised annually to the Statement of Comprehensive Income based on the life of the build structure which is 50 years.

The amount amortised represents a contingent liability to the entity and will be recognised as a liability when the properties funded by the relevant government grant are disposed of or when the property ceases to be used for social housing purposes. Below is the analysis of the assistance from government sources in the form of government grants.

	2019 £	2018 £
<b>Income</b>		
Balance at 1 April	1,007,520	1,007,520
Grant received in year	-	-
Grant repaid	-	-
Transfer from RCGF	-	-
Balance at 31 March	1,007,520	1,007,520
<b>Amortisation</b>		
At 1 April	(959,541)	(847,396)
Amortisation in year	(5,997)	(112,145)
Total amortisation	(965,538)	(959,541)
Net value of grant	41,983	47,980
Amounts due < 1 year	5,997	5,997
Amounts due > 1 year	35,984	41,982
	41,982	47,979

### 18 Related party transactions

Anchor Hanover Group, the Corporate Trustee, also acts as the managing agent for the Trust providing various services for which fees are paid as follows:

	2019 £	2018 £
Management fees	87,367	84,987
Service charge and technical services fees	31,732	34,212
Alarm and alarm monitoring services	6,301	5,253
	125,400	124,452

**Notes forming part of the Financial Statements**  
For the year ended 31 March 2019

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As part of the arrangement Anchor Hanover Group 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:

	2019 £	2018 £
Amount owed/owing to Anchor Hanover Group	<u>5,829</u>	<u>27,452</u>

**19 Legislative provisions**

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

**20 Payments to creditors**

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

