

William Paul Housing Trust

Annual Report and Financial Statements

Year Ended 31 March 2023

Registered with the Charity Commission Number 212597

Registered with the Regulator of Social Housing Number A2643

Annual Report and Financial Statements

For the year ended 31 March 2023

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Advisers and bankers

Clerk and Registered Office	Banker	Auditor
Vicky Parr 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 2023

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 16 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.anchor.org.uk.

Code of Governance

The Board of the Corporate Trustee, Anchor Hanover Group ("Anchor"), has adopted the Financial Reporting Council's UK Corporate Governance Code 2018 (the "UKCGC") as its appropriate code of governance. The UKCGC is applied on a 'comply or explain' basis and the Board of Anchor assess their compliance with the code on an annual basis. A summary of this assessment can be found in Anchor's Annual Report and Financial Statements 2023, page 26.

Employees

The Trust 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 Trust faces and confirms that systems and procedures, including an internal audit programme, are in place so as to mitigate the significant risks that the Trust may face.

Objectives and Activities

The governing instrument for the Trust is a Charity Commission Scheme dated 31 December 1976.

The Trust has 80 (2022: 80) sheltered dwellings in management to meet the prime objective of providing Almshouse accommodation for the poor and elderly in the Ipswich area.

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 2015, issued by the Regulator of Social Housing.

Achievements and Performance

The Trust 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 (2022: £Nil).

Strategic Report (continued)

For the year ended 31 March 2023

Financial Review

The activities for the year are set out on page 9 in the Statement of Comprehensive Income. There is a surplus of £218,959 for the year (2022: £309,470). Income increased by £29,857, Operating costs increased by £111,401 (2022: decrease £93,421) and there was a reduction in the surplus on the revaluation of investments of £38,478.

Fixed asset additions to housing properties of £38,836 (2022: £118,564).

Plans for Future Periods

In line with the Trust's objective to maintain the properties in good repair and in order to provide accommodation for rent, the Trust 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.

Principal risks and uncertainties

This includes; effects that have resulted from the UK's exit from the European Union, increased fuel costs, macroeconomic impacts on the global economy linked to the Ukraine crisis, and high inflation levels in the UK.

All of these factors are contributing to the "cost of living" crisis which we are actively managing as a key area of risk, with focus on maintaining service delivery, managing and anticipating financial impacts, and monitoring the potential negative impacts of the conditions on our customers and colleagues.

Maintenance of William Paul Trust's properties is dependent on the timely and effective performance by third party contractors of their obligations, exposing us to risk of potentially having less control over the quality of the services than if we were providing them directly. The performance of contracts may be subject to disruption for a variety of reasons including availability of materials, work stoppages, labour constraints, and is impacted by macroeconomic conditions.

We work closely with contractors to avoid such problems, undertake appropriate due diligence and procurement procedures and avoid concentration risk.

Going concern

After making enquiries and examining major areas which could give rise to significant financial exposure, the directors are satisfied that no material or significant exposures exist other than as reflected in these Financial Statements and the company has adequate resources to continue its operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these Financial Statements.

Value for money statement

As a corporate trust of the Anchor Hanover Group, the strategic and operational management of the properties is fully aligned to the wider stock portfolio of Anchor. 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'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 updated in May 2021, 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.

	2023	2022
Metric 1 - Re-investment %	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 into 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.

Strategic Report (continued)

For the year ended 31 March 2023

	2023	2022
Metric 2a – New supply delivered (social housing units) %	0%	0%
Metric 2b – New supply delivered (non-social housing units) %	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 into the future and currently does not have the financial capacity to develop new properties.

	2023	2022
Metric 3: Gearing %	0%	0%

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.

	2023	2022
Metric 4 – EBITDA MRI interest cover %	-	-

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. The Charity has no loans or overdraft facilities and, therefore, no interest payable.

	2023	2022
Metric 5: Headline social housing cost per unit	3,516	2,276

This metric assesses the headline social housing cost per unit as defined by the Regulator.

	2023	2022
Metric 6a – Operating margin (social housing lettings) %	32%	50%
Metric 6b – Operating margin (overall) %	34%	52%

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).

	2023	2022
Metric 7 – Return on Capital Employed (ROCE) %	6%	14%

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.

Report of the Board

For the year ended 31 March 2023

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 Board of the Corporate Trustee is required to act in accordance with the governing instrument of the Trust, 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 Trust 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 2019. 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 Trust 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 Trust's auditor is aware of that information.

Auditor

BDO LLP has expressed its willingness to continue in office as auditor to the William Paul Housing Trust. A resolution to reappoint BDO LLP as auditor will be approved by the Anchor Hanover Group Board.

By order of the Board of the Corporate Trustee



Sarah Jones
Executive Board Member



Amanda Holgate
Executive Board Member



Vicky Parr
Clerk

Date: 25 September 2023

Independent Auditor's Report

For the year ended 31 March 2023

Independent auditor's report to the Trustee of the William Paul Housing Trust

Opinion on the 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 2023 and of incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of William Paul Housing Trust ("the Charity") for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charity in accordance with the ethical requirements 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Strategic report and the Directors report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information 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 (continued)

For the year ended 31 March 2023

Matters on which we are required to report by exception

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

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Board of the Corporate Trustee's statement, the Trustees are 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 Trustees determines 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 Trustees are responsible for assessing the Charity'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 Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, with a focus on manual journals to revenue and journals indicating large or unusual transactions based on our understanding of the business;
- Challenging assumptions, accounting estimates and judgements made by the Directors, specifically classification of housing properties;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

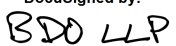
Independent Auditor's Report (continued)

For the year ended 31 March 2023

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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 Charity's trustees, as a body, in accordance with Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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BDO LLP
Statutory Auditor
Gatwick
United Kingdom
26 September 2023

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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 2023

	Note	2023 £	2022 £
Turnover	2	542,226	512,369
Operating costs	2	(358,310)	(246,909)
Operating surplus		183,916	265,460
Interest receivable and similar income	5	30,129	618
Loss on disposal of fixed assets		-	-
Surplus on ordinary activities		214,045	266,078
Unrealised surplus on revaluation of current asset investments	8	4,914	43,392
Total comprehensive income for the year		218,959	309,470

The difference between the surplus for the year as stated above and its historical cost equivalent is primarily due to lower routine maintenance expenditure in the year.

All amounts relate to continuing activities.

The notes on pages 13 to 23 form part of these Financial Statements.

Statement of Financial Position
For the year ended 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Housing properties	9		644,972		680,976
Other fixed assets	9		180,235		187,436
			<u>825,207</u>		<u>868,412</u>
Current assets					
Trade and other debtors	10	97,931		112,080	
Investments	11	2,100,713		1,959,670	
Cash at bank and in hand		72		72	
Less Creditors: amounts falling due within one year	12	(72,631)		(181,989)	
Net current assets			2,126,085		1,889,833
Creditors:					
Amounts falling due after one year	13		(67,820)		(93,732)
			<u>2,883,472</u>		<u>2,664,513</u>
Capital and reserves					
Revenue reserves			2,000,685		1,805,802
Designated reserves:			882,787		858,711
			<u>2,883,472</u>		<u>2,664,513</u>

The notes on pages 13 to 23 form part of these Financial Statements.

The Financial Statements were approved for issue on behalf of the Corporate Trustee by the Board of the Anchor Hanover Group on 25 September 2023 and were signed by:



Sarah Jones
Executive Board Member



Amanda Holgate
Executive Board Member



Vicky Parr
Clerk

Registered with the Charity Commission Number 212597

Statement of Changes in Reserves
For the year ended 31 March 2023

	Revenue reserves £	Cyclical repairs £	Major repairs £	Renewals reserve £	Total reserves £
At 1 April 2021	1,518,537	321,164	336,240	179,102	2,355,043
Transfers (to)/from other reserves	(22,205)	-	11,836	10,369	-
Surplus in year	309,470	-	-	-	309,470
At 31 March 2022	1,805,802	321,164	348,076	189,471	2,664,513
Transfers (to)/from other reserves	(24,076)	-	13,769	10,307	-
Surplus in year	218,959	-	-	-	218,959
At 31 March 2023	2,000,685	321,164	361,845	199,778	2,883,472

The notes on pages 13 to 23 form part of these Financial Statements.

Statement of Cashflows
For the year ended 31 March 2023

	2023	2022
	£	£
Cash flow from operating activities		
Operating surplus for the year	183,916	265,460
Depreciation of tangible fixed assets	82,041	69,883
Amortisation of capital grant	(16,812)	(16,812)
Decrease/(Increase) in trade and other debtors	14,149	(38,563)
(Decrease)/Increase in trade and other creditors	(118,456)	42,332
	<u>144,838</u>	<u>322,300</u>
Cash flow from investing activities		
Purchase of tangible fixed assets	(38,836)	(5,403)
Loss on disposal of tangible fixed assets		-
Proceeds from sale of investments		-
Purchase of investments		-
Interest received	30,129	618
Fair Value Investments	-	-
	<u>136,131</u>	<u>317,515</u>
Net change in cash and cash equivalents		
Cash and cash equivalents at 1 April	1,520,634	1,203,119
Cash and cash equivalents at 31 March	<u>1,656,763</u>	<u>1,520,634</u>
	<u>136,131</u>	<u>317,515</u>
Analysis of cash and cash equivalents		
Cash in hand	72	72
Monies on deposit	<u>1,656,691</u>	<u>1,520,562</u>
Total cash and cash equivalents	<u>1,656,763</u>	<u>1,520,634</u>

The notes on pages 13 to 23 form part of these Financial Statements

1(a) Accounting policies

General Information

The Trust provides housing to elderly people. The Trust is a public benefit entity and registered with both the Regulator of Social Housing – registration number A2643 and Charities Commission in the United Kingdom - registration number is 212597. 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), the Statement of Recommended Practice: Accounting by Registered Social Landlords Update 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 Trust's business activities and factors that are likely to affect its plans for future periods are set out in the Strategic Report. The Trust 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 Trust 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 Trust 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 Trust 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.

1(a) Accounting policies (*continued*)

Designated reserves

The Trust 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 Trust 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
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 Trust towards the cost of acquiring and/or building housing for rent or sale. Under shared ownership arrangements, Social Housing Grant is received from Homes England 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 SHG is received for properties in the course of construction and the amount received is in excess of the costs of construction incurred to date then the excess is shown as SHG received in advance on the Statement of Financial Position within Creditors: amounts falling due within one year.

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 Trust 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 Trust 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 William Paul Housing 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 publicly available price. Gains and losses on revaluation of fund investments are included in the Statement of Comprehensive Income.

1(a) Accounting policies (*continued*)

Financial instruments - Basic financial instruments (*continued*)

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 100% of the amount overdue. Provision for the debts of former tenants is provided at 100%.

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.

Cash and cash equivalents

Cash and cash equivalents comprise 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 Trust'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 the Trustee 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 Trust has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Trust has considered if the asset is held for social benefit or to earn commercial rentals. The Trust has determined that its housing portfolio is held for social benefit purposes

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 Trust'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 2023

2 Particulars of turnover, operating costs and operating surplus

		2023	
	Turnover	Operating costs	Operating surplus
	£	£	£
Social housing activities:			
Housing accommodation (see note 3)	525,414	(358,310)	167,104
Amortisation of capital grant	16,812	-	16,812
	<u>542,226</u>	<u>(358,310)</u>	<u>183,916</u>
	Turnover	2022	
	£	Operating costs	Operating surplus
	£	£	£
Social housing activities:			
Housing accommodation (see note 3)	495,557	(246,909)	248,648
Amortisation of capital grant	16,812	-	16,812
	<u>512,369</u>	<u>(246,909)</u>	<u>265,460</u>

Notes forming part of the Financial Statements
For the year ended 31 March 2023

3 Particulars of income and expenditure from social housing lettings

	2023 £	2022 £
Income from lettings		
Rent receivable net of identifiable service charges and rent losses from voids	407,763	396,087
Service charge income	117,191	91,513
Net rental income	524,954	487,600
Other service income	460	7,957
	525,414	495,557
Expenditure on letting activities		
Service charge	(107,345)	(81,585)
Management	(74,401)	(38,644)
Bad debts written off and movement in provision	(8,538)	4,050
Routine maintenance	(82,958)	(58,233)
Major repairs expenditure	(2,231)	(3,924)
Depreciation of housing properties	(77,038)	(64,801)
Other costs	(5,799)	(3,772)
Operating costs on social housing lettings	(358,310)	(246,909)
Operating surplus on social housing lettings	167,104	248,648
Rent losses from voids	(6,079)	(1,515)

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

Notes forming part of the Financial Statements
For the year ended 31 March 2023

4 Employee information

The Trust has minimal employees as shown below with all other services provided by Anchor Hanover Group:

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

	2023	2022
	Number	Number
Estate Manager – full time	1	1
Estate Manager – part time	1	1
	2	2
Average number of employees expressed as Full time equivalent	2	2
Staff costs (for the above persons)		
Wages and salaries	29,540	29,249
Social security costs	2,190	2,225
Pension costs	1,225	1,310
	32,955	32,784

5 Interest receivable and similar income

	2023	2022
	£	£
Interest receivable from listed investments	30,129	505
Other investment income	-	113
	30,129	618

6 Surplus on ordinary activities

	2023	2022
	£	£
Surplus on ordinary activities is stated after charging:		
Depreciation of fixed assets	82,041	69,883

The Trust's audit fee for 2023 of £1,571 is paid by AHG and recharged as part of the Management Fee (2022: £1,333).

Notes forming part of the Financial Statements
For the year ended 31 March 2023

7 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.

8 Surplus on revaluation of current asset investments

	2023 £	2022 £
Surplus on revaluation of current asset investments	4,914	43,392

9 Tangible fixed assets

	Freehold housing properties £	Scheme equipment £	Total £
Cost			
At 1 April 2022	2,869,162	342,382	3,211,544
Additions	36,748	2,088	38,836
Disposals	-	-	-
	<u>2,905,910</u>	<u>344,470</u>	<u>3,250,380</u>
At 31 March 2023			
Depreciation			
At 1 April 2022	(2,188,186)	(154,946)	(2,343,132)
Charge for the year	(72,752)	(9,289)	(82,041)
Disposals	-	-	-
	<u>(2,260,938)</u>	<u>(164,235)</u>	<u>(2,245,173)</u>
At 31 March 2023			
Net book value			
At 31 March 2023	<u>644,972</u>	<u>180,235</u>	<u>825,207</u>
At 31 March 2022	<u>680,976</u>	<u>187,436</u>	<u>868,412</u>

Notes forming part of the Financial Statements
For the year ended 31 March 2023

10 Debtors

	2023 £	2022 £
Amounts receivable within one year:		
Rent and service charge arrears	19,392	11,159
Less: bad debt provision	(13,730)	(5,487)
	<u>5,662</u>	<u>5,672</u>
Anchor Hanover Group	84,678	105,531
Service charge deficits	6,721	877
Other debtors, prepayments and accrued income	870	-
	<u>97,931</u>	<u>112,080</u>
Amounts receivable after more than one year:		
Service charge deficits	-	-
	<u>97,931</u>	<u>112,080</u>

11 Current asset investments

	2023 £	2022 £
Short term deposits	1,656,691	1,520,562
Listed investments:		
Charity Multi Asset Fund	444,022	439,108
	<u>2,100,713</u>	<u>1,959,670</u>
Value at 31 March		
Cost of listed investment	<u>365,743</u>	<u>365,743</u>

Analysis of movement of listed investments

	2023 £	2022 £
Value at 1 April	439,108	395,716
Additions at cost	-	-
Disposal at fair value	-	-
Net surplus on revaluation	4,914	43,392
	<u>444,022</u>	<u>439,108</u>
Value 31 March		

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Rents received in advance	18,438	26,568
Service charge surpluses	9,670	3,330
Other creditors, accruals and deferred income	27,711	135,279
Deferred grant income	16,812	16,812
	<u>72,631</u>	<u>181,989</u>

Notes forming part of the Financial Statements

For the year ended 31 March 2023

13 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Service charge surpluses	570	9,670
Deferred grant income	67,250	84,062
	<u>67,820</u>	<u>93,732</u>

14 Capital commitments

The Charity had no capital commitments at 31 March 2023 (2022: Nil).

15 Contingent liabilities

The Board of the Corporate trust is not aware of any contingent liabilities (2022: Nil).

16 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:

	2023	2022
	£	£
Management fees	68,450	30,178
Service charge and technical services fees	20,851	4,578
Alarm and monitoring services	3,931	2,992
	<u>93,232</u>	<u>37,748</u>

As part of the arrangement Anchor Hanover Group also provides short term funding and cash management for the day to day operations of the Trust and the amount outstanding at 31 March is as follows:-

	2023	2022
	£	£
Amounts due from Anchor Hanover Group	<u>84,678</u>	<u>105,531</u>

17 Legislative provisions

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

18 Payments to creditors

The Trust'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 2023

19 Deferred grant income

	2023	2022
	£	£
Income		
Balance at 1 st April	919,795	919,795
Grant received in year	-	-
Grant repaid/disposed	-	-
Balance at 31 st March	919,795	919,795
 Amortisation at 1 st April	 818,921	 802,109
In year	16,812	16,812
Balance at 31 st March	835,733	818,921
Deferred grant income at 31 March	84,062	100,874
 Amounts due < 1 year	 16,812	 16,812
Amounts due > 1 year	67,250	84,062
	84,062	100,874