

Penn and Widow Smith Almshouses

Annual Report and Financial Statements

Year Ended 31 March 2021

Registered with the Charity Commission Number 238044

Registered with the Regulator of Social Housing Number A2334

Penn and Widow Smith Almshouses

Annual report and Accounts

For the year ended 31 March 2021

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Registered office

Suites A & B, Third Floor, The Heal's Building, 22-24 Torrington Place,
London WC1E 7HJ

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Banker

Barclays Bank plc, 1 Churchill Place, Canary Wharf, London, E14 5HP

Report of the Board of Trustees

For the year ended 31 March 2021

Trustees

Mr C Penn (Chair)
Mr M Fairbanks-Smith
Dr M Kimberley
Lady Penn
Mr R Penn
Mr J Stanley

Structure, governance and management

The Charity's Board of Trustees is responsible for the overall management and control of the Charity and meets a minimum of three times a year.

All Trustees give of their time freely and no remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests and to withdraw from decisions where a conflict of interest arises.

The existing Trustees have been specifically recruited with relevant qualifications and experience including a chartered surveyor, investment advisor, architect, solicitor and vicar to assist with the Trustees' responsibilities of maintaining the Charity's listed property and to care for the wellbeing of the residents. Detailed housing and property management issues are referred to the contracted managing agent, Anchor Hanover Group.

New Trustees are selected and appointed by the existing Trustees. When appointing a new Trustee consideration is given to the skills the new Trustees may possess, links to the local community and how they may be of benefit to the Charity and to fill any gaps in knowledge that the existing Board of Trustees may have.

Organisational management

The Board of Trustees determines the general policy of the Charity. The day to day management and administration of the Charity is provided by Anchor Hanover Group (the managing agent) under a commercially agreed management agreement. Operational management reports and accounts are prepared and presented by the managing agent to the Board of Trustees for their consideration.

Risk management

The Board of Trustees is responsible for the overseeing of the risks faced by the Charity. Detailed considerations of risk are delegated to the managing agent. Risks are identified, assessed and controls are established throughout the year. Through the risk management processes established for the Charity, the Board of Trustees is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Report of the Board of Trustees (continued)

For the year ended 31 March 2021

Objects

The governing instruments, under which Penn and Widow Smith Almshouses is established, are the Charity Commissioners Schemes dated 11 November 1955 and 7 December 1979.

The objective of the Charity is to provide accommodation for people aged over 60 who are in need and who have been resident in the Ancient Parishes of Greenwich, Deptford and Lewisham, for at least three years.

Review of operations

The Charity receives funds from charges raised on residents in the form of services charges and licence fees. The service charges are raised to cover the costs of providing support and services to the residents and maintenance of the grounds and equipment. Rents/licence fees 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 future planned repairs costs.

In line with the Charity's objective to maintain the properties in good repair and in order to provide accommodation to rent, the Charity continues to review the fabric of the building by means of planned works programmes and stock condition surveys undertaken by Anchor Hanover Group.

The activities for the year are set out on page 11 in the Statement of Comprehensive Income. There is a surplus of £98,033 for the year (2020: £32,442). Excluding the gain on revaluation of investments of £56,606 (2020: deficit £14,329) there was a surplus on ordinary activities of £41,427 (2020: £46,771). Licence fee income has increased in line with regulated rents for almshouses. An increase in interest receivable and similar income is due to the effect of additional sums invested in Charities Investment Funds in each of the last two years following low levels of major repairs.

Principal risks and uncertainties

The principal uncertainty currently facing Penn and Widow Smith Almshouses relates to the impact of the Covid-19 pandemic. The board continue to monitor the pandemic, including UK Government advice, and acknowledge that the Trust faces a prolonged period of uncertainty. The evolving nature of the situation means that it is not possible to accurately quantify the financial impact; however, the Trust is in a good financial position in respect of managing this risk.

Going concern

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

The World Health Organisation classed Covid-19 as a pandemic on 11 March 2020. Following that announcement, the UK Government introduced various measures to address the impact in the UK resulting in lockdown from 23 March 2020. The Managing Agent of Anchor Hanover moved swiftly to implement business continuity plans, and we thank our colleagues and our key suppliers for working with us to make a proactive response during that period.

There was no impact on the financial position of the Charity in the year ended 31 March 2021.

Report of the Board of Trustees (continued)

For the year ended 31 March 2021

The unprecedented impact of the Covid-19 pandemic on the UK and globally continued to overshadow the 2020/21 financial year for many organisations, as well as bringing concern and loss to families and communities across the country. Our sympathies continue to be with residents, their relatives and our colleagues who have lost loved ones as a result of the virus.

The UK continues to evolve in response to the challenges of Covid-19 and we continue to take proactive steps to ensure that we are well-positioned.

Whilst access to the properties to undertake maintenance was restricted during the earlier parts of the pandemic, access has commenced to all of our properties and we expect to complete all essential maintenance works in line with expectations. Occupancy rates have remained constant throughout the pandemic.

Charitable and political contributions

No contributions were made during the financial year.

Employees

The Charity has no employees.

Report of the Board of Trustees (continued)

For the year ended 31 March 2021

Value for money statement

The Board of Trustees adopts a process of continuous review when assessing value for money giving due regard to balancing the need to preserve the financial integrity of the Charity into the future with the need and cost of repairing, maintaining and improving the Charity's properties and looking after the welfare of the residents.

At regular meetings of the Board of Trustees reports are presented by the Managing Agent, Anchor Hanover Group, covering housing management, repairs and maintenance and financial performance and issues. These are scrutinised and questioned by the Board of Trustees to ensure that value for money and operational performance are not compromised with regard to the Charity and residents of the Charity's properties.

The managing agent, Anchor Hanover Group, has itself agreed a comprehensive approach to achieve and demonstrate value for money across all parts of its operations, including the provision of housing management services that the Charity has contracted it to provide. A self-assessment statement on how value for money is achieved by Anchor Hanover Group is included in the Operating and Financial Review of its Annual Report and Accounts and which can be found on their website at www.anchorhanover.org.uk.

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.

	2021	2020
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.

	2021	2020
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.

Report of the Board of Trustees (continued)

For the year ended 31 March 2021

Value for money statement (continued)

	2021	2020
Metric 3 - Gearing %	-13%	-9%

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 negative ratio is a result of the cash balances held. Cash that is in excess of short term operational requirements is invested in Charity Investment Funds. 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.

	2021	2020
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.

	2021	2020
Metric 5 – Headline social housing cost per year	£5,000	£4,750

This metric assesses the headline social housing cost per unit as defined by the Regulator. The increase in the cost per unit for 2020 is due to a increase in major repairs expenditure, but partly off-set by an decrease in other costs in the year.

	2021	2020
Metric 6a – Operating margin (social housing lettings) %	25%	29%
Metric 6b – Operating margin (overall) %	32%	36%

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). The increase in the ratios for 2020 are a result of increased revenue arising from increases in formula rents and reduced void losses and a reduction in operating expenditure due to a decrease in major repairs expenditure less an increase in other costs.

	2021	2020
Metric 7 – Return on Capital Employed (ROCE) %	3%	4%

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 of Trustees (continued)

For the year ended 31 March 2021

Statement of the Board of Trustees responsibilities in respect of the Annual Report and the Financial Statements

Under the trust deed of the Charity and charity law, the Board of Trustees is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. The Board of Trustees has elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Charity and of the surplus or deficit for that period. In preparing these Financial Statements, the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Board of Trustees is required to act in accordance with the trust deed of the Charity, within the framework of trust law. The Board of Trustees is 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 enable the Board of Trustees 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 Trustees is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditor

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

Penn and Widow Smith Almshouses

Report of the Board of Trustees (continued)

For the year ended 31 March 2021

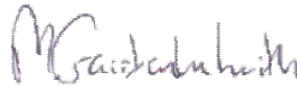
Auditor

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

By order of the Board of Trustees



Mr C Penn
Chair - Trustee



Mr M Fairbanks-Smith
Trustee

Date: 26 September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENN AND WIDOW SMITH ALMSHOUSES

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 2021 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We have audited the financial statements of Penn and Widow Smith Almshouses ("the Charity") for the year ended 31 March 2021 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENN AND WIDOW SMITH ALMSHOUSES (CONTINUED)

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.

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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and report in accordance with the Acts 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 and provision for bad and doubtful debts;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENN AND WIDOW SMITH ALMSHOUSES (CONTINUED)

- 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.

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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. 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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Philip Cliftlands
BDO LLP, statutory auditor
London, UK
29 September 2021

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).

Penn and Widow Smith Almshouses

Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	2	93,670	95,653
Operating costs	2	(63,949)	(61,429)
Operating surplus		<u>29,721</u>	<u>34,224</u>
Interest receivable and similar income	5	<u>11,706</u>	<u>12,547</u>
Surplus on ordinary activities	6	41,427	46,771
Unrealised surplus / (loss) on revaluation of current asset investments	8	<u>56,606</u>	<u>(14,329)</u>
Total comprehensive income for the year		<u><u>98,033</u></u>	<u><u>32,442</u></u>

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 16 to 24 form part of these Financial Statements.

Penn and Widow Smith Almshouses

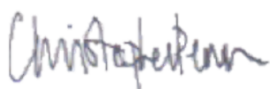
Statement of Financial Position

As at 31 March 2021

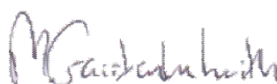
	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets at cost	9		552,516		546,696
Less: Depreciation	9		(230,041)		(216,091)
			<u>322,475</u>		<u>330,605</u>
Current assets					
Debtors	10	1,910		1,771	
Investment	11	520,930		439,161	
Cash at bank and in hand		42,160		30,618	
Less Creditors: amounts falling due within one year	12	(23,880)		(26,553)	
Net current assets			<u>541,120</u>		<u>444,997</u>
Creditors: amounts falling due after more than one year	13		(269,075)		(279,114)
Total net assets			<u><u>594,520</u></u>		<u><u>496,488</u></u>
Capital and reserves					
Revenue reserves			406,606		336,462
Designated reserves:					
Charity fund property reserve			7,468		7,468
Cyclical repairs reserve			20,644		20,644
Extraordinary repairs reserve			160,154		131,914
Renewals reserve			(352)		-
			<u>594,520</u>		<u>496,488</u>

The notes on pages 16 to 24 form part of these Financial Statements

The Financial Statements were approved for issue by the Board of Trustees on 26 September 2021 and were signed on its behalf by:



Mr C Penn
Chair - Trustee



Mr M Fairbanks-Smith
Trustee

Registered with the Charity Commission Number 238044
Registered Housing Association Number A2334

Penn and Widow Smith Almshouses

Statement of Changes in Reserves

For the year ended 31 March 2021

	Revenue reserve £	Charity fund property reserve £	Cyclical repairs reserve £	Extra- ordinary repairs reserve £	Renewals reserve £	Total £
At 1 April 2019	332,259	7,468	20,644	103,674	-	464,045
Transfer between reserves						
To extraordinary reserve	(28,240)	-	-	28,240	-	-
Surplus in year	32,442	-	-	-	-	32,442
At 31 March 2020	336,461	7,468	20,644	131,914	-	496,487
Transfer between reserves						
To extraordinary reserve	(27,888)	-	-	28,240	(352)	-
Surplus in year	98,033	-	-	-	-	98,033
At 31 March 2021	406,606	7,468	20,644	160,154	(352)	594,520

The notes on pages 16 to 24 form part of these Financial Statements.

Penn and Widow Smith Almshouses

Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flow from operating activities			
Operating surplus for the year	2	29,721	34,224
Adjustments for non-cash items:			
Depreciation of tangible fixed assets	9	13,950	13,934
Amortisation of capital grant	14	(8,680)	(8,680)
(Increase) in trade and other debtors	10	(140)	(711)
(Decrease) / increase in trade and other creditors	12, 13	(1,400)	5,202
(Decrease) / increase in amounts owing to AHG	10, 12	(2,632)	9,027
		<u>30,819</u>	<u>52,996</u>
Cash flow from investing activities			
Purchase of fixed assets	9	(5,820)	-
Interest received	5	11,706	12,547
(Increase) in short term deposits and investments	11	(25,163)	(53,481)
Purchase of investments	11	-	-
		<u>11,542</u>	<u>12,062</u>
Net change in cash and cash equivalents			
Cash and cash equivalents at 1 April		30,618	18,556
Cash and cash equivalents at 31 March		<u>42,160</u>	<u>30,618</u>
		<u>11,542</u>	<u>12,062</u>

The notes on pages 16 to 24 form part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 March 2021

1(a) Principal Accounting policies

Basis of accounting

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) and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The Financial Statements are prepared on the historical cost and accruals basis of accounting, as modified to include the fair value of financial instruments and on the basis of going concern.

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

Going concern

The Charity's business activities and factors likely to affect its plans for the future are set out within the Report of the Board of Trustees. The Charity has adequate unrestricted reserves and designated reserves with which to fund its financial obligations and day to day operations.

On this basis, the Board of Trustees 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, it continues to adopt the going concern basis in the Financial Statements.

Turnover

Turnover represents rental income from licensees and service charges receivable which are recognised when the Charity is entitled to them together with the amortisation of capital grant. Rent and service charges are shown net of void losses which are only recognised where the properties are available for letting.

Fixed Assets

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

Housing properties are properties available for rent and are stated at cost less cumulative depreciation.

There is no record of the original cost of the housing properties and consequently no value is attributed thereto. The Housing Properties cost relate to improvements, some of which were funded by a Housing Corporation Grant and a mortgage loan from the London Borough of Southwark which has now been fully repaid.

Scheme equipment is shown at cost less cumulative depreciation.

Notes to the Financial Statements

For the year ended 31 March 2021

1(a) Principal Accounting policies (continued)

Subsequent expenditure to housing properties

Works which result in an enhancement of economic benefits to the property (i.e. an increase in rental income, reduction in future maintenance costs or significant extension of life to the property) for a period of ten years or more are deemed to be improvements and are capitalised and depreciated in accordance with their expected economic life. Improvements to properties that relate to pre-identified asset components are also capitalised and depreciated over the expected economic life of the component.

All other expenditure on repairs incurred over the life of a property to maintain the fabric of the original asset is charged to the Statement of Comprehensive Income as incurred.

Depreciation

Freehold land is not depreciated.

In accordance with the Statement of Recommended Practice, the depreciation policy of the Charity is to write off the cost of improvements over a period of up to 50 years commencing the later of 1 April 2003 and practical completion.

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 and aerials	20	5.0%
Warden alarm	15	6.6%
Other shared areas	10	10.0%
Other scheme equipment	4	25.0%

Social housing grant

Social Housing Grant (SHG) is a capital grant made to the Charity towards the cost of acquiring, building or major alterations to housing properties. Social Housing Grant was received from the Housing Corporation.

Social Housing Grant is included in Creditors: amounts falling due within one year and amounts falling due after more than one year in the Statement of Financial Position. It is amortised annually to the Statement of Comprehensive Income over the expected useful lives of the assets to which it relates. The accumulated amortised grant represents a contingent liability that may materialise when the relevant property to which the amortised grant relates ceases to be used for social housing purposes, usually due to disposal of the housing asset.

Grants are usually repayable unless formally abated, waived or recycled. Therefore, they may be repayable in certain circumstances, primarily the sale of property.

Notes to the Financial Statements

For the year ended 31 March 2021

1(a) Principal Accounting policies (continued)

Revaluation of current asset investments

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

Designated reserves

The Charity sets aside a reserve for an established regular programme of cyclical repairs and maintenance, and an extraordinary repairs reserve for a programme of major repairs on housing properties. The cost of cyclical and extraordinary repairs is charged to the Statement of Comprehensive Income in the period in which they are incurred subject to transfers to or from the cyclical and extraordinary repairs reserves.

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 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 Charity are a combination of short term bank deposits and fund investments managed by specialist managers and provided for not for 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.

Other long-term creditors

Other long-term creditors include 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.

Notes to the Financial Statements

For the year ended 31 March 2021

1(b) Judgements and accounting estimates

The preparation of the Financial Statements requires the Board of 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

In determining the intended use of its housing properties, the Charity has considered if the asset is held for social benefit or to earn commercial rentals. The Charity has determined that its housing portfolio is held for social benefit purposes.

2 Particulars of turnover, operating costs and operating surplus

	Note	Turnover £	2021 Operating costs £	Operating surplus £
Social housing activities:				
Housing accommodation	3	84,990	(63,949)	21,041
Amortisation of capital grant	14	8,680	-	8,680
		<u>93,670</u>	<u>(63,949)</u>	<u>29,721</u>

	Note	Turnover £	2020 Operating costs £	Operating surplus £
Social housing activities:				
Housing accommodation	3	86,973	(61,429)	25,544
Amortisation of capital grant	14	8,680	-	8,680
		<u>95,653</u>	<u>(61,429)</u>	<u>34,224</u>

Notes to the Financial Statements

For the year ended 31 March 2021

3 Particulars of income and expenditure from social housing lettings

	2021 £	2020 £
Income from lettings		
Rent receivable net of identifiable service charges and rent losses from voids	75,274	78,454
Service charge income	9,716	8,519
	<u>84,990</u>	<u>86,973</u>
Net rental income	84,990	86,973
Other property income	-	-
	<u>84,990</u>	<u>86,973</u>
Turnover from social housing lettings	<u>84,990</u>	<u>86,973</u>
 Expenditure on letting activities		
Service charge costs	(10,397)	(9,083)
Management	(13,207)	(12,973)
Bad debts written off and movement in provision	(1,909)	-
Routine maintenance	(13,505)	(14,876)
Major repairs expenditure	(4,578)	(6,823)
Depreciation of housing properties	(13,950)	(13,934)
Other costs	(6,403)	(3,740)
	<u>(63,949)</u>	<u>(61,429)</u>
Operating costs on social housing lettings	<u>(63,949)</u>	<u>(61,429)</u>
	<u>21,041</u>	<u>25,544</u>
Operating surplus on social housing lettings	<u>21,041</u>	<u>25,544</u>
 Rent losses from voids	<u>(7,444)</u>	<u>(1,478)</u>

No segmental analysis is shown for housing accommodation as the Charity owns and manages only 10 units of general needs accommodation.

4 Employee information

The Charity does not have any employees but purchases services from Anchor Hanover Group.

The Charity Trustees were not paid or reimbursed expenses during the year and no Charity Trustee received any emolument or payment for professional or other services (2020: Nil).

5 Interest receivable and similar income

	2021 £	2020 £
Interest receivable from listed investments	11,542	12,066
Other interest	164	481
	<u>11,706</u>	<u>12,547</u>

Notes to the Financial Statements

For the year ended 31 March 2021

6 Surplus on ordinary activities

	2021	2020
	£	£
Is stated after charging:		
Depreciation of fixed assets	13,950	13,934
Auditor's remuneration:		
- In their capacity as auditor (excluding VAT)	-	750

The Charity's audit fee for 2020/21 of £750 is paid by AHG and recharged as part of the Management Fee.

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 Unrealised (deficit) / surplus on revaluation of current asset investments

	2021	2020
	£	£
Unrealised (deficit)/surplus on revaluation of current asset investments	56,606	(14,329)

9 Tangible fixed assets

	Freehold housing properties	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2020	538,364	8,332	546,696
Additions	5,820	-	5,820
At 31 March 2021	544,184	8,332	552,516
Depreciation			
At 1 April 2020	(208,111)	(7,980)	(216,091)
Charge for the year	(13,598)	(352)	(13,950)
At 31 March 2021	(221,709)	(8,332)	(230,041)
Net book value			
At 31 March 2021	322,475	-	322,475
At 31 March 2020	330,253	352	330,605

The Charity was established in the late nineteenth century. There is no record of the original cost of the almshouses and no value is attributed thereto. The above details relate to improvements carried out since 1982, some of which were funded by what was then called the Housing Corporation and London Borough of Greenwich Grants of £433,992. The Charity holds the freehold to the land on which these properties and improvements are situated. The housing properties consist of 10 dwellings in the Ancient Parish of Greenwich.

Notes to the Financial Statements

For the year ended 31 March 2021

10 Debtors

	2021	2020
	£	£
Amounts receivable within one year:		
Rent and service charge arrears	2,345	1,262
Less: Bad debt provision	(1,909)	-
	<u>436</u>	<u>1,262</u>
Anchor Hanover Group	-	-
Service charge deficits	393	-
Other debtors, prepayments and accrued income	-	509
	<u>829</u>	<u>1,771</u>
Amounts receivable after more than one year:		
Service charge deficits	1,081	-
	<u>1,910</u>	<u>1,771</u>

11 Current asset investments

	2021	2020
	£	£
Short term deposits	132,037	106,874
Listed investments:		
Charity Investment Funds	388,893	332,287
Value at 31 March	<u>520,930</u>	<u>439,161</u>
Cost of listed investments	<u>301,603</u>	<u>301,605</u>

Analysis of movement of listed investments

	2021	2020
	£	£
Value at 1 April	332,287	346,616
Additions at cost	-	-
Retained / (distributed) interest	-	-
Net surplus / (deficit) on revaluation	56,606	(14,329)
Value 31 March	<u>388,893</u>	<u>332,287</u>

Notes to the Financial Statements

For the year ended 31 March 2021

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Rents and service charges received in advance	672	653
Anchor Hanover Group	2,089	4,721
Other creditors, accruals and deferred income	12,439	12,499
Deferred social housing grant income	8,680	8,680
	<u>23,880</u>	<u>26,553</u>

13 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Service charge surplus	-	1,359
Deferred social housing grant income	269,075	277,755
	<u>269,075</u>	<u>279,114</u>

14 Deferred grant income

	2021 £	2020 £
Grant received		
At 1 April and 31 March	<u>433,992</u>	<u>433,992</u>
Amortisation of grant		
At 1 April	(147,557)	(138,877)
Charge for the year	(8,680)	(8,680)
At 31 March	<u>(156,237)</u>	<u>(147,557)</u>
Net value of grant		
At 1 April	<u>286,435</u>	<u>295,115</u>
At 31 March	<u>277,755</u>	<u>286,435</u>
Analysis of unamortised grant		
Amounts due within one year	8,680	8,680
Amounts due after more than one year	269,075	277,755
	<u>277,755</u>	<u>286,435</u>

Notes to the Financial Statements

For the year ended 31 March 2021

15 Capital commitments

The Charity had no capital commitments at 31 March 2021 (2020: Nil).

16 Contingent liabilities

Contingent liabilities arising from amortisation of Government grants

The Charity has received financial assistance from Homes England (formerly the Housing Corporation) and these government grants are accounted for as deferred income as long term liabilities in the Statement of Financial Position and are amortised annually to the Statement of Comprehensive Income based on the life of the asset to which it relates. The amount amortised represents a contingent liability to the Charity 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.

Note 14 above sets out the amount of grant received and the amount that has been amortised.

The Trustees are not aware of any other contingent liabilities.

17 Related party transactions

No related party transactions have been disclosed by the Trustees.

18 Legislative provisions

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

19 Payments to creditors

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