

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
WITTON LODGE COMMUNITY ASSOCIATION**

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

WITTON LODGE COMMUNITY ASSOCIATION

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FOR THE YEAR ENDED 31 MARCH 2021**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The Charitable Company is Limited by Guarantee (company no. 02903760) and registered as a Charity (registered no. 1039005).

The Charitable Company's main aim and principal activity is that of providing and managing social housing for rent (including the development of new homes), managing Perry Common Community Hall and delivering a range of economic, social and environmental projects, in the Perry Common area of Birmingham.

The Charity has the following formal objectives:

- To provide for the benefit of the inhabitants of the area of Perry Common and its neighbourhood in the City of Birmingham without distinction of sex, race, or of political, religious or other opinions, by associating together representatives of the said inhabitants and the various other persons in a common effort to provide facilities in the interest of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants.
- To continue, for the benefit of the community in the City of Birmingham, the business of providing social housing and any associated amenities for the persons in necessitous circumstances upon terms appropriate to their means.
- To promote any charitable purpose for the benefit of the inhabitants of the area of benefit and in particular the advancement of education and the relief of poverty.

Whilst Witton Lodge Community Association's foundation was laid in the provision of housing in Perry Common, our work with the community today is far more wide ranging. For some people we provide homes for rent, for others we're a host for community-based activity that creates a sense of belonging in a community that cares about people. We help people connect with opportunities to live a healthier lifestyle, have a wider social life and take on a voluntary role in the community. We help people develop their skills and get into work or training, and increasingly we help them find their entrepreneurial spirit.

Significant activities

The past 12 months have been dominated by the pandemic, and its affects are likely to be felt over the next few years. We know the impact of Covid-19 has fallen unequally on society, with those in deprived areas more likely to suffer and die from Covid-19 than those in wealthier areas, as well as the disproportionate impact on BME groups. Whilst Covid-19 may have amplified health inequalities, these did not emerge with the pandemic, but rather they mirror the inequalities already so prevalent in many of our neighbourhoods and communities.

That being said, the pandemic has demonstrated the **power of communities**; providing timely and vital support to those who are vulnerable when it was needed the most, and we experienced this in abundance in Perry Common and the wider Erdington Constituency. There is an opportunity to maintain and build on this momentum, by further empowering communities and investing in community-rooted health and wellbeing services, employment; skills and enterprise initiatives; providing safe, secure, and affordable homes as well as strengthening community networks and enhancing local resilience.

During this period, the Association adapted its services and operations, and facilitated new community-led partnerships locally, in the Erdington Constituency and the wider North Birmingham geography. These partnerships responded to the immediacy of the pandemic and are continuing to collaborate throughout the recovery phase.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Significant activities

Erdington Covid-19 Taskforce & Impact



REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

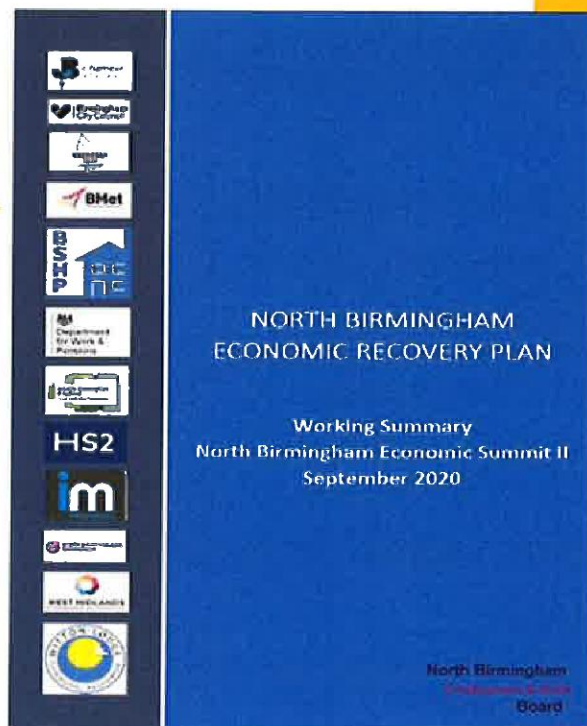
Significant activities

North Birmingham Economic Recovery Taskforce and Plan

North Birmingham Economic
Recovery Taskforce (Strategic focus)

North Birmingham Employment and
Skills Board (Delivery focus)

North Birmingham Economic
Recovery Coordinator



Thematic Achievements 2020-21

Homes, Assets & Neighbourhoods

- Successfully maintaining 198 tenancies with flourishing community services and support.
- Purchased and refurbished 5 empty properties for affordable rent to families in housing need.
- Regular housing surgeries providing advice and support including with Universal Credit Claims
- Launched and maintained Trusted Hands Service at Sycamore Court, with plans to roll-out into the community. Providing a valued service to promote Independent Living.
- Commenced Build of the Witton Lakes Eco Hub, a new community facility in Wyrley Birch.
- Witton Lodge CIC governance strengthened as part of Registered Provider application. Registration.

Flourishing Community (Overall team)

- Delivered a strong Covid-19 response, directly supporting 452 residents by delivering 4,507 food & essential supplies parcels to vulnerable residents, and making 1,304 wellbeing calls alongside many local volunteers.
- Launched new services including Benefits Advice, 'Momentum' domestic violence support group, Digital Skills Training and 'Time Out' wellbeing activity packs.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

OBJECTIVES AND ACTIVITIES

Significant activities

Employment & Skills

- Supported **266** residents with employment support to develop skills and build confidence and motivation, with 15 securing jobs.
- **84** residents completed accredited and unaccredited training.
- Created Digital Lending Library to get residents online, supporting **46** residents to access ICT devices + training.

Health and Wellbeing

- Provided wellbeing support to **351** residents, mainly focusing on staying well at home, managing mental health, and reducing isolation.
- **£217,000** small grants funding awarded to **47** groups across Erdington through Erdington Neighbourhood Network Scheme and Emergency Assistance Programme.
- Supported **48** residents with weekly virtual support groups.

Community Life inc. Volunteering

- **68** volunteers supported many activities throughout the year.
- Organised **13** community events and activities attended by **173** residents including quizzes, volunteer activities, coffee morning and Christmas activities.
- Established strong partnerships such as the Erdington Covid-19 Task Force

Partnerships and Business Development

- Secured GBSLEP (Town and Local Centre) funding to develop designs and business plan for the Erdington Enterprise Hub - Finalised E3 detailed Business Plan and Design Concept documents
- Secured large ESF grant, Ignite Aspirations, to deliver Employment and Skills Support services across North and East Birmingham, in partnership with Compass Support.
- Forged new partnerships across North Birmingham and City Wide including with ISE to develop and deliver enterprise services.
- Facilitated the North Birmingham Economic Recovery Taskforce and recruited a Co-ordinator to move seamlessly into the implementation phase.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Public benefit

The Board of Trustees have complied with their duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission. The Group carries out a wide range of activities in pursuance of its Charitable Aims. The Trustees consider that these activities, summarised below, provide benefit to those who live in the area of benefit.

Grantmaking

Witton Lodge Community Association reviews various organisations and individuals who support and deliver the charity's objects.

Potential recipients of grants paid by Witton Lodge Community Association are reviewed by the charity on a case by case basis depending upon the available resources of the charity.

STRATEGIC REPORT

Financial review

A summary of the Group's finances is set out in the attached group consolidated financial statements for the year ended 31 March 2021. The principal source of income is from the charity's accommodation. The company's subsidiary collects ground rents and has made a contribution to the company by way of Gift Aid. The company's financial key performance indicators relate to the delivery of accommodation and the collection of related income and other relevant factors are described elsewhere in this report. After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Principal funding sources

The principal funding sources for the Charitable Company are currently by way of rental income from tenants, housing benefit, local housing allowance and ad hoc grants, gift aid from its Subsidiary and interest on deposits.

Reserves policy and purpose of designation

The Charitable Company manages its accommodation on the basis of whole life funding. It maintains a designated fund matched by cash resources to pay for major repairs of a revenue nature and to provide for cyclical maintenance. The property assets of the charity underpin its charitable objectives and activities hence a designated fund is used to ensure that the carrying value of fixed assets is supported by funds. A fund has also been created to ensure that the charity can part finance its development of new housing stock. The carrying value of all reserves has been considered and appropriate adjustments made, further details are in the notes to the Financial Statements.

Future plans

The Strategic Business Plan provides a strategic framework and direction for our work. It defines high level outcomes that we'll work towards, in partnership with residents and stakeholders.

The Plan guides our established Annual Business Planning process, the result of which is a prioritised, costed, timed, risk assessed with an annual Delivery Plan, adopted and monitored by the Board and implemented by our Staff team. The Plan identifies the resources are risks likely to be involved in the strategies we adopt, and highlights where these should be evaluated in our Annual Business Planning. It is structured according to our 4 headline themes:

- Homes and Assets
- Flourishing Communities
- Local Leadership
- Enterprise and Economic Development

The Association wishes to thank all those individuals, community groups, local schools, churches and public and private sector undertakings which have assisted the endeavours of the Group during this and previous years.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Association is a Charitable Company Limited by Guarantee incorporated on 2 March 1994 (registered as a charity on 27 June 1994). The governing documents for Witton Lodge Community Association, Witton Lodge CIC, WLCA Enterprises Limited and the Minority Protection Agreement were reviewed, revised and approved during 2016/17. The revised documents were presented by Anthony Collins Solicitors and approved by the Board at its meeting on 5 July 2017.

The Company was established under a Memorandum and Articles of Association, which imposes restrictions on the scope of the Charity's operations. The activities of the Charity are limited to those related to the regeneration of its area of benefit and the promotion of the money not immediately required for the Charity's objects in such investments, securities or property as may be thought fit by the Company. The Company is governed under its Articles of Association. In the event of the Company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The Board of Directors of the Group consists of 8 resident Directors and 4 institutional Directors (2 nominees of Birmingham City Council and 2 independents).

Each Director shall serve a term as near as possible to four years. Either before or following the expiry of their term of office, a Director may be re-appointed for a further term of as near as possible to four years by the Board.

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in force during the year and exist at the date of this report.

Organisational structure

The structure of the Board of Trustees is for there to be 12 members who meet 10 times a year. Within the 12 is the Chair and the Deputy Chair. The Board of Trustees undertakes the general control and management of the administration of the Group but delegates day to day operational responsibility to the Chief Officer and a team of officers and staff who support him.

Roles are benchmarked externally by our retained HR consultants. Recommendations are presented, considered and approved by WLCA's Resources Subgroup and the Board.

Mazars LLP are the financial adviser to the Group. Anthony Collins Solicitors and Tyndallwoods Solicitors provide legal services.

Enhancement of our Risk Management Policies and Procedures including where appropriate the following areas of risk: Strategic; Financial; Operational; Reputation and public interest; Legal and regulatory and Employment law.

Induction and training of new trustees

As good practice, other Directors, the Company Secretary, the Senior Staff Members and the Group's advisors give the Trustees an induction to the Organisation. They are made aware of the Mission and Vision Statements and the current financial plan of the Organisation and their expected role and responsibilities in relation to this and to the requirements of the Charity Commission.

Where prospective local Directors are identified, they are given the opportunity to attend Board Meetings as an observer prior to offering themselves for appointment. Directors' ongoing training needs are addressed through attendance at organised Away Days, conferences and training.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Charity has two subsidiary companies, WLCA Enterprises Limited, which is a Non-Charitable Company limited by shares. The subsidiary has two members, one of whom is the Charity itself and the other is Teresa Compton, a nominee of Witton Lodge Community Association. Both members hold one share each so the subsidiary is a wholly owned subsidiary of the Charity. To date the subsidiary has restricted its activities to:

- Receiving capital sums from Birmingham City Council for the sale of redevelopment land;
- Allowing developers, under Development Agreements to build houses on land;
- Collecting grounds rents from Under Leasehold owner occupiers;
- Selling interests under the provisions of the Leasehold Reform Act.

The second subsidiary is Witton Lodge Community Interest Company which is Limited by Guarantee. The Company is formed for the benefit of the Community, and its objects are:

- The business of providing and managing housing, including Social Housing, and providing assistance to help house people and associated facilities, amenities and services;
- Any other object that the Board can reasonably decide which can be carried out from time to time by a Community Interest Company registered as a provider of Social Housing with the Regulator.

Further information on related parties is given in the notes to the financial statements.

Risk management

The Board of Trustees continues to review the major risks which the Group is exposed to and these have been regularly reported at Board meetings. A Risk Management Plan forms part of the Group's Financial Plan and is reviewed on an annual basis. Where appropriate, additional systems or procedures have been put in place to mitigate potential risks the Group faces. Internal control risks are minimised by the implementation of procedures for authorisation for all transactions and projects. Procedures are in place to ensure compliance with health and safety for all staff, volunteers, clients and visitors to Association property. Procedures are reviewed as required, to ensure they continue to meet the needs of the Group, and all risks and their management are reviewed as required to ensure all reasonable steps are being taken to minimise them.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02903760 (England and Wales)

Registered Charity number

1039005

Registered office

Perry Common Community Hall
87 Witton Lodge Road
Perry Common
Birmingham
West Midlands
B23 5JD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

L S Hines MBE
S G Allison
T B Compton
M R Davis
M M Harvey
R A Beauchamp
P M Tomlinson
A Winmill
R S Rahanu
J L Jennings
C L Ross (appointed 7.10.20)
S P Harris (appointed 1.9.21)
A R Mendez (appointed 1.9.21)

Company Secretary

A Hussain

Auditors

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

Solicitors

Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Tyndalwoods
29 Wombourne Road
Birmingham
B17 8BY

Bankers

The Co-operative Bank Plc
118-120 Colmore Row
Birmingham
B3 3BN

Unity Trust Bank Plc
9 Brindleyplace
Birmingham
B1 2HB

Metro Bank
27-29 Abington Street
Northampton
NN1 2AN

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Witton Lodge Community Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 1 December 2021 and signed on the board's behalf by:



LS Hines MBE - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WITTON LODGE COMMUNITY ASSOCIATION

Opinion

We have audited the financial statements of Witton Lodge Community Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

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 Group's or the parent charitable company'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 Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WITTON LODGE COMMUNITY ASSOCIATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 trustees are responsible for assessing the Group's and parent charitable company'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 Group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

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:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.
- Confirming accounts receivable and other accounts with a third party.

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. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WITTON LODGE COMMUNITY ASSOCIATION**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cruse ACA, FCCA (Senior Statutory Auditor)
for and on behalf of J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

1 December 2021

WITTON LODGE COMMUNITY ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	4	1,042	250	1,292	980
Charitable activities					
General Housing and Sycamore Court	6	1,327,443	-	1,327,443	1,241,127
Housing Development		31,250	-	31,250	8,200
Perry Common Community Hall		-	-	-	22,876
Flourishing Communities		-	930,796	930,796	344,759
Association Development		11,777	-	11,777	1,345
Erdington Enterprise Hub		98,122	-	98,122	-
Investment income	5	4,128	-	4,128	11,725
Other income		6,144	-	6,144	-
Total		1,479,906	931,046	2,410,952	1,631,012
EXPENDITURE ON					
Charitable activities					
General Housing and Sycamore Court	7	585,010	172,197	757,207	730,363
Housing Development		770	-	770	68,857
Perry Common Community Hall		36,428	-	36,428	42,143
Flourishing Communities		-	662,726	662,726	361,150
Association Development		173,940	-	173,940	234,912
Eco Hub		39,257	-	39,257	26,467
Erdington Enterprise Hub		98,122	-	98,122	-
Total		933,527	834,923	1,768,450	1,463,892
NET INCOME		546,379	96,123	642,502	167,120
TRANSFERS BETWEEN FUNDS	21	226,356	(226,356)	-	-
RECONCILIATION OF FUNDS					
Total funds brought forward		6,314,185	6,135,621	12,449,806	12,282,686
TOTAL FUNDS CARRIED FORWARD		7,086,920	6,005,388	13,092,308	12,449,806

The income of the parent charity was £2,404,220 in 2021 (2020: £1,641,994) and the operating surplus for the year was £343,727 (2020: £200,242).

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes form part of these financial statements

WITTON LODGE COMMUNITY ASSOCIATION (REGISTERED NUMBER: 02903760)

CONSOLIDATED BALANCE SHEET
31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	13	6,593,622	5,963,423	12,557,045	12,291,890
CURRENT ASSETS					
Debtors	15	537,082	-	537,082	174,915
Cash at bank and in hand		<u>1,847,808</u>	<u>41,965</u>	<u>1,889,773</u>	<u>1,780,681</u>
		2,384,890	41,965	2,426,855	1,955,596
CREDITORS					
Amounts falling due within one year	16	(451,632)	-	(451,632)	(262,294)
NET CURRENT ASSETS		<u>1,933,258</u>	<u>41,965</u>	<u>1,975,223</u>	<u>1,693,302</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,526,880	6,005,388	14,532,268	13,985,192
CREDITORS					
Amounts falling due after more than one year	17	(1,439,960)	-	(1,439,960)	(1,535,386)
NET ASSETS		<u>7,086,920</u>	<u>6,005,388</u>	<u>13,092,308</u>	<u>12,449,806</u>
FUNDS	21				
Unrestricted funds				7,086,920	6,314,185
Restricted funds				<u>6,005,388</u>	<u>6,135,621</u>
TOTAL FUNDS				<u>13,092,308</u>	<u>12,449,806</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions to entities subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 1 December 2021 and were signed on its behalf by:



L S Hines MBE - Trustee

The notes form part of these financial statements

WITTON LODGE COMMUNITY ASSOCIATION (REGISTERED NUMBER: 02903760)

PARENT CHARITY BALANCE SHEET
31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	13	5,865,800	5,963,422	11,829,222	12,289,840
Investments	14	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
		5,865,802	5,963,422	11,829,224	12,289,842
CURRENT ASSETS					
Debtors	15	1,005,507	-	1,005,507	210,126
Cash at bank and in hand		<u>1,810,238</u>	<u>41,965</u>	<u>1,852,203</u>	<u>1,743,474</u>
		2,815,745	41,965	2,857,710	1,953,600
CREDITORS					
Amounts falling due within one year	16	(443,420)	-	(443,420)	(248,229)
NET CURRENT ASSETS		<u>2,372,325</u>	<u>41,965</u>	<u>2,414,290</u>	<u>1,705,371</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,238,127	6,005,388	14,243,514	13,995,213
CREDITORS					
Amounts falling due after more than one year	17	(1,439,960)	-	(1,439,960)	(1,535,386)
NET ASSETS		<u>6,798,166</u>	<u>6,005,388</u>	<u>12,803,554</u>	<u>12,459,827</u>
FUNDS	21				
Unrestricted funds				6,798,166	6,324,206
Restricted funds				<u>6,005,388</u>	<u>6,135,621</u>
TOTAL FUNDS				<u>12,803,554</u>	<u>12,459,827</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions to entities subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 1 December 2021 and were signed on its behalf by:



L S Hines MBE - Trustee

The notes form part of these financial statements

WITTON LODGE COMMUNITY ASSOCIATION

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	809,762	531,402
Interest paid		<u>(52,000)</u>	<u>(82,314)</u>
Net cash provided by operating activities		<u>757,762</u>	<u>449,088</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(570,648)	(704,786)
Sale of tangible fixed assets		-	-
Interest received		<u>4,128</u>	<u>11,725</u>
Net cash used in investing activities		<u>(566,520)</u>	<u>(693,061)</u>
Cash flows from financing activities			
Capital repayments in year		<u>(82,150)</u>	<u>(60,981)</u>
Net cash used in financing activities		<u>(82,150)</u>	<u>(60,981)</u>
Change in cash and cash equivalents in the reporting period		109,092	(304,954)
Cash and cash equivalents at the beginning of the reporting period		<u>1,780,681</u>	<u>2,085,635</u>
Cash and cash equivalents at the end of the reporting period		<u>1,889,773</u>	<u>1,780,681</u>

The notes form part of these financial statements

WITTON LODGE COMMUNITY ASSOCIATION

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	642,502	167,120
Adjustments for:		
Depreciation charges	279,760	267,347
Loss on disposal of fixed assets	25,732	30,405
Interest received	(4,128)	(11,725)
Interest paid	52,000	82,314
Increase in debtors	(362,167)	(38,482)
Increase in creditors	176,063	34,423
Net cash provided by operations	<u>809,762</u>	<u>531,402</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>1,780,681</u>	<u>109,092</u>	<u>1,889,773</u>
	<u>1,780,681</u>	<u>109,092</u>	<u>1,889,773</u>
Debt			
Debts falling due within 1 year	(72,825)	(13,276)	(86,101)
Debts falling due after 1 year	<u>(1,535,386)</u>	<u>95,426</u>	<u>(1,439,960)</u>
	<u>(1,608,211)</u>	<u>82,150</u>	<u>(1,526,061)</u>
Total	<u>172,470</u>	<u>191,242</u>	<u>363,712</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

Witton Lodge Community Association is a private limited company, limited by guarantee and incorporated in England. The address of the registered office is given on the company information page of these financial statements.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The presentational currency of these financial statements is Sterling. All amounts have been rounded to the nearest £1.

The company is a company limited by guarantee. The members of the company are the Trustees named within the Trustees Report. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

INCOME

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charity, can be reliably measured.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charity SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees Report for information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2. ACCOUNTING POLICIES - continued

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of the expenditure on the objects of the charity and include project management carried out centrally. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

TANGIBLE FIXED ASSETS

Tangible fixed assets are included at cost including any incidental expenses of acquisition.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation is provided on the following bases:

Housing property	- see below
Perry Common Community Hall	- over 50 years
Fixtures and fittings	- 20% on cost
Office equipment	- 25% on cost

Housing properties and property improvements

The Association adopts full component accounting in relation to the capitalisation and depreciation of its housing property stock.

Financial reporting standards require that where a tangible asset comprises two or more major components with substantially different useful economic lives, each component should be accounted for separately for depreciation purposes and depreciated over its individual useful economic life.

All housing properties have been split between land, structure costs and major components which require periodic replacement, where the cost exceeds £400. No depreciation is provided on land. Expenditure less than £400 is expensed through the Statement of Financial Activities in the year it is incurred. Replacement of such major components is capitalised and depreciated over the estimated useful life of the component.

The estimated useful economic life for each component is:

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

General need housing

Building and roof	- 75 years
Kitchen	- 20 years
Bathroom	- 30 years
Radiators and electrics	- 30 years
Windows and external doors	- 30 years
Boiler	- 15 years

Sheltered housing

Building and roof	- 75 years
Kitchen and bathroom	- 20 years
Radiators	- 30 years
Windows, emergency lighting and fire alarms	- 30 years
CCTV and warden call system	- 15 years
Lifts and external doors	- 15 years
Laundry and door entry	- 20 years
Boiler	- 15 years

INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

TAXATION

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiaries are subject to Corporation Tax.

No taxation liability arose in the current or previous year.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

FINANCIAL INSTRUMENTS

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

CAPITAL FUND

Land and Buildings donated by local authorities are added to long leasehold land and buildings costs at the time of the donation. The resulting capital fund generated is treated as a restricted fund. The depreciation on the grant funded element of long leasehold land and buildings is expended through restricted funds to reduce the capital fund over the life of the assets.

OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following is a key source of estimation uncertainty:

Expenditure allocations: expenditure is apportioned where it relates to more than one cost category.

4. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	1,292	980
	=====	=====

5. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	4,128	11,725
	=====	=====

WITTON LODGE COMMUNITY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

6. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Rental income	General Housing and Sycamore Court	1,277,787	1,192,434
Room hire and solar panel income	General Housing and Sycamore Court	40,638	46,193
Sundry income	General Housing and Sycamore Court	9,018	2,500
Grants	Housing Development	31,250	8,200
Grants	Flourishing Communities	741,499	257,081
Contract income	Flourishing Communities	169,452	89,409
Room hire and solar panel income	Flourishing Communities	1,145	1,713
Sundry income	Flourishing Communities	18,700	19,432
Sundry income	Association Development	11,777	1,345
Grants	Erdington Enterprise Hub	98,122	-
		<u>2,399,388</u>	<u>1,618,307</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Department of Health and Social Care	18,847	45,300
Birmingham City Council - Near Neighbourhood Network Scheme Erdington Constituency	108,000	122,300
West Midlands Combined Authority	-	83,181
Groundwork UK	-	8,200
The Active Wellbeing Society Project	45,917	9,183
Future Parks Accelerator Programme	27,280	12,720
Homes England	30,500	10,000
Birmingham Adult Education Service	-	39,950
Greater Birmingham and Solihull Local Enterprise Partnership	98,122	-
National Lottery Community Fund - Covid-19 Emergency	84,700	-
Birmingham City Council - Near Neighbourhood Network Scheme Small Grants	63,178	-
Birmingham City Council - Emergency Assistance	67,895	-
Reach Fund	750	14,190
Power to Change	97,500	-
IES - Employment and Skills	500	-
ESF Priority 1.1 - Ignite Aspirations	223,101	-
North Birmingham Economic Recovery Taskforce	4,581	-
	<u>870,871</u>	<u>345,024</u>

WITTON LODGE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

7. CHARITABLE ACTIVITIES COSTS

YEAR ENDED 31 MARCH 2021

	Direct Costs £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
General Housing and Sycamore Court	733,710	-	23,497	757,207
Housing Development	-	-	770	770
Perry Common Community Hall	36,354	-	74	36,428
Flourishing Communities	508,601	138,932	15,193	662,726
Association Development	120,732	-	53,208	173,940
Eco Hub	2,147	-	37,110	39,257
Erdington Enterprise Hub	12,066	-	86,056	98,122
	<u>1,413,610</u>	<u>138,932</u>	<u>215,908</u>	<u>1,768,450</u>

YEAR ENDED 31 MARCH 2020

	Direct Costs £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
General Housing and Sycamore Court	713,403	-	16,960	730,363
Housing Development	68,857	-	-	68,857
Perry Common Community Hall	41,889	-	254	42,143
Flourishing Communities	333,629	15,189	12,332	361,150
Association Development	166,784	-	68,128	234,912
Eco Hub	26,467	-	-	26,467
Erdington Enterprise Hub	-	-	-	-
	<u>1,351,029</u>	<u>15,189</u>	<u>97,674</u>	<u>1,463,892</u>

WITTON LODGE COMMUNITY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

8. GRANTS PAYABLE

	2021	2020
	£	£
Flourishing Communities	<u>138,932</u>	<u>15,189</u>
	<u>138,932</u>	<u>15,189</u>

The total grants paid to institutions during the year was as follows:

	2021	2020
	£	£
Associated grants to institutions	<u>138,932</u>	<u>15,189</u>
	<u>138,932</u>	<u>15,189</u>

9. SUPPORT COSTS

YEAR ENDED 31 MARCH 2021

	Management	Governance	Totals
	£	costs £	£
General Housing and Sycamore Court	22,497	1,000	23,497
Housing Development	770	-	770
Perry Common Community Hall	74	-	74
Flourishing Communities	15,193	-	15,193
Association Development	39,479	13,729	53,208
Eco Hub	23,364	13,746	37,110
Erdington Enterprise Hub	<u>86,056</u>	<u>-</u>	<u>86,056</u>
	<u>187,433</u>	<u>28,475</u>	<u>215,908</u>

YEAR ENDED 31 MARCH 2020

	Management	Governance	Totals
	£	costs £	£
General Housing and Sycamore Court	16,960	-	16,960
Housing Development	-	-	-
Perry Common Community Hall	254	-	254
Flourishing Communities	12,332	-	12,332
Association Development	48,472	19,656	68,128
Eco Hub	-	-	-
Erdington Enterprise Hub	<u>-</u>	<u>-</u>	<u>-</u>
	<u>78,018</u>	<u>19,656</u>	<u>97,674</u>

WITTON LODGE COMMUNITY ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021****10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	14,040	15,350
Accountants' remuneration for other services	16,075	4,306
Depreciation - owned assets	279,760	267,347
Deficit on disposal of fixed assets	<u>25,732</u>	<u>30,405</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

TRUSTEES' EXPENSES

2 (2020: 2) Trustees received reimbursement of expenses to cover travel and other costs incurred whilst on Association duties amounting to £379 in the current year (2020: £577).

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	552,111	491,886
Social security costs	47,464	42,709
Other pension costs	<u>22,568</u>	<u>19,676</u>
	<u>622,143</u>	<u>554,271</u>

The average number of employees during the year was 31 (2020: 31) and the average monthly number of employees during the year expressed as full-time equivalents was as follows (including casual and part-time staff):

The average monthly number of employees during the year was as follows:

	2021	2020
Charitable activities	15	15
Management and administration	<u>3</u>	<u>3</u>
	<u>18</u>	<u>18</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£80,001 - £90,000	<u>1</u>	<u>1</u>

WITTON LODGE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

13. TANGIBLE FIXED ASSETS - GROUP

	Freehold property £	Long leasehold £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 April 2020	866,144	15,087,955	65,625	121,519	16,141,243
Additions	360,472	208,946	1,230	-	570,648
Disposals	-	(69,288)	-	-	(69,288)
At 31 March 2021	1,226,616	15,227,613	66,855	121,519	16,642,603
DEPRECIATION					
At 1 April 2020	7,580	3,685,670	53,432	102,672	3,849,354
Charge for year	16,721	243,639	7,618	11,782	279,760
Eliminated on disposal	-	(43,556)	-	-	(43,556)
At 31 March 2021	24,301	3,885,753	61,050	114,454	4,085,558
NET BOOK VALUE					
At 31 March 2021	1,202,315	11,341,860	5,805	7,065	12,557,045
At 31 March 2020	858,564	11,402,285	12,193	18,848	12,291,890

Included in cost or valuation of land and buildings is freehold land of £2,618,745 (2020 - £2,798,745) which is not depreciated.

During the year ended 31 March 2021 the charity transferred 4 properties to its subsidiary undertaking, Witton Lodge Community Interest Company. These properties were professionally revalued on 7 December 2020 by Le Baron Haussmann Limited Chartered Surveyors. The combined revalued amount for these properties totalled £592,000 realising a gain on revaluation of £6,144 which has been recorded in other income.

The charity has secured certain property assets and further details are provided in the secured debts note.

WITTON LODGE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

TANGIBLE FIXED ASSETS - COMPANY

13.

	Freehold property £	Long leasehold £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 April 2020	866,144	15,087,955	55,376	121,519	16,130,994
Additions	222,842	208,946	1,230	-	433,018
Disposals	(599,269)	(69,288)	-	-	(668,557)
At 31 March 2021	<u>489,717</u>	<u>15,227,613</u>	<u>56,606</u>	<u>121,519</u>	<u>15,895,455</u>
DEPRECIATION					
At 1 April 2020	7,580	3,685,670	45,232	102,672	3,841,154
Charge for year	14,913	243,639	5,569	11,782	275,903
Eliminated on disposal	(7,268)	(43,556)	-	-	(50,824)
At 31 March 2021	<u>15,225</u>	<u>3,885,753</u>	<u>50,801</u>	<u>114,454</u>	<u>4,066,233</u>
NET BOOK VALUE					
At 31 March 2021	<u>474,492</u>	<u>11,341,860</u>	<u>5,805</u>	<u>7,065</u>	<u>11,829,222</u>
At 31 March 2020	<u>858,564</u>	<u>11,402,285</u>	<u>10,144</u>	<u>18,847</u>	<u>12,289,840</u>

Included in cost or valuation of land and buildings is freehold land of £2,618,745 (2020 - £2,798,745) which is not depreciated.

During the year ended 31 March 2021 the charity transferred 4 properties to its subsidiary undertaking, Witton Lodge Community Interest Company. These properties were professionally revalued on 7 December 2020 by Le Baron Haussmann Limited Chartered Surveyors. The combined revalued amount for these properties totalled £592,000 realising a gain on revaluation of £6,144 which has been recorded in other income.

The charity has secured certain property assets and further details are provided in the secured debts note.

14. **FIXED ASSET INVESTMENTS - COMPANY**

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	<u>2</u>
NET BOOK VALUE	
At 31 March 2021	<u>2</u>
At 31 March 2020	<u>2</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

WITTON LODGE COMMUNITY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

14. FIXED ASSET INVESTMENTS - COMPANY - continued

WLCA Enterprises Limited

Registered office: United Kingdom

	% holding	2021 £	2020 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		2	2
Profit for the year		<u>19,401</u>	<u>22,721</u>

Witton Lodge Community Interest Company

Registered office: United Kingdom

	% holding	2021 £	2020 £
Class of share:			
Voting rights	100		
Aggregate capital and reserves		288,754	(10,021)
Profit/(loss) for the year		<u>298,775</u>	<u>(3,894)</u>

Company investments at cost comprise of WLCA Enterprises Limited - £2 (2020: £2).

15. DEBTORS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Amounts falling due within 1 year:				
Trade debtors	205,318	107,863	193,862	96,759
Amounts owed by group undertakings	-	-	-	46,479
Prepayments and accrued income	<u>331,764</u>	<u>67,052</u>	<u>331,764</u>	<u>66,888</u>
	<u>537,082</u>	<u>174,915</u>	<u>525,626</u>	<u>210,126</u>
Amounts falling due after more than 1 year:				
Amounts owed by group undertakings	-	-	479,881	-
Aggregate amounts	<u>537,082</u>	<u>174,915</u>	<u>1,005,507</u>	<u>210,126</u>

WITTON LODGE COMMUNITY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	56,048	47,049	56,048	47,049
Other loans	30,053	25,778	30,053	25,776
Trade creditors	71,411	88,462	71,411	88,462
Amounts owed to group undertakings	-	-	7,516	7,264
Social security and other taxes	13,895	11,683	13,895	11,683
Other creditors	11,739	11,923	11,739	11,924
Accruals and deferred income	268,486	77,399	252,758	56,071
	<u>451,632</u>	<u>262,294</u>	<u>443,420</u>	<u>248,229</u>

Deferred income included above consists of:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred income as at 1 April 2020	53,955	23,914	39,766	23,914
Resources deferred during the year	124,551	36,292	111,011	22,103
Amounts released from previous years	(15,006)	(6,251)	(817)	(6,251)
Deferred income as at 31 March 2021	<u>163,500</u>	<u>53,955</u>	<u>149,960</u>	<u>39,766</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	1,404,898	1,465,999	1,404,898	1,465,999
Other loans	35,062	69,387	35,062	69,387
	<u>1,439,960</u>	<u>1,535,386</u>	<u>1,439,960</u>	<u>1,535,386</u>

18. BANK AND OTHER LOANS – CONSOLIDATED AND COMPANY

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank and other loans	<u>86,101</u>	<u>47,049</u>
Amounts falling between one and two years:		
Bank and other loans - 1-2 years	<u>86,101</u>	<u>51,878</u>
Amounts falling due between two and five years:		
Bank and other loans - 2-5 years	<u>173,155</u>	<u>155,636</u>
Bank and other loans more 5 year by instalments	1,180,704	1,258,485

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

19. OPERATING LEASES – CONSOLIDATED AND COMPANY

Minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	3,995	6,191
Between one and five years	4,047	8,042
	<u>8,042</u>	<u>14,233</u>

20. SECURED DEBTS

A long-term loan facility over 25 years has been obtained from Unity Trust Bank Plc to fund property acquisitions. The loan is secured on certain properties and is repayable in monthly instalments; the interest rate is fixed for 5 years at 4.5% p.a.

An unsecured loan has also been obtained to fund the purchase of solar panels, principal terms include an 8-year loan and interest rate of 5.6%.

21. MOVEMENT IN FUNDS**CONSOLIDATED**

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General Fund	609,028	546,379	445,859	1,601,266
Major and Cyclical Repairs Fund	365,800	-	-	365,800
Disability Adaptations Fund	10,000	-	-	10,000
Small Grants Fund	5,000	-	-	5,000
Housing Development Fund	700,000	-	-	700,000
Fixed Asset Fund	4,624,357	-	(219,503)	4,404,854
	6,314,185	546,379	226,356	7,086,920
Restricted funds				
Capital Fund	6,128,708	(165,286)	-	5,963,422
Flourishing Communities Fund	-	261,408	(226,356)	35,052
Power to Change Grant Fund	6,913	-	-	6,913
	6,135,621	96,123	(226,356)	6,005,388
TOTAL FUNDS	12,449,806	642,502	-	13,092,308

WITTON LODGE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,479,906	(933,526)	546,379
Restricted funds			
Capital Fund	-	(165,286)	(165,286)
Flourishing Communities Fund	707,945	(446,537)	261,408
Power to Change Grant Fund	-	-	-
ESF Priority 1.1 – Ignite Aspirations	223,101	(223,101)	-
	<u>931,046</u>	<u>(834,924)</u>	<u>96,123</u>
TOTAL FUNDS	<u>2,410,952</u>	<u>(1,768,450)</u>	<u>642,502</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General Fund	596,653	404,215	(391,840)	609,028
Major and Cyclical Repairs Fund	365,800	-	-	365,800
Disability Adaptations Fund	10,000	-	-	10,000
Small Grants Fund	5,000	-	-	5,000
Housing Development Fund	1,022,000	-	(322,000)	700,000
Fixed Asset Fund	3,926,019	-	698,338	4,624,357
	5,925,472	404,215	(15,502)	6,314,185
Restricted funds				
Capital Fund	6,289,644	(160,936)	-	6,128,708
Flourishing Communities Fund	-	(15,502)	15,502	-
Power to Change Grant Fund	67,570	(60,657)	-	6,913
	<u>6,357,214</u>	<u>(237,095)</u>	<u>15,502</u>	<u>6,135,621</u>
TOTAL FUNDS	<u>12,282,686</u>	<u>167,120</u>	<u>-</u>	<u>12,449,806</u>

WITTON LODGE COMMUNITY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,278,053	(873,838)	404,215
Restricted funds			
Capital Fund	-	(160,936)	(160,936)
Flourishing Communities Fund	344,759	(360,261)	(15,502)
Power to Change Grant Fund	-	(60,657)	(60,657)
Community Led Housing Fund	8,200	(8,200)	-
	<u>352,959</u>	<u>(590,054)</u>	<u>(237,095)</u>
TOTAL FUNDS	<u>1,631,012</u>	<u>(1,463,892)</u>	<u>167,120</u>

COMPANY

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General Fund	619,049	247,604	445,859	1,312,512
Major and Cyclical Repairs Fund	365,800	-	-	365,800
Disability Adaptations Fund	10,000	-	-	10,000
Small Grants Fund	5,000	-	-	5,000
Housing Development Fund	700,000	-	-	700,000
Fixed Asset Fund	<u>4,624,357</u>	<u>-</u>	<u>(219,503)</u>	<u>4,404,854</u>
	<u>6,324,206</u>	<u>247,604</u>	<u>226,356</u>	<u>6,798,166</u>
Restricted funds				
Capital Fund	6,128,708	(165,286)	-	5,963,422
Flourishing Communities Fund	-	261,408	(226,356)	35,052
Power to Change Grant Fund	<u>6,913</u>	<u>-</u>	<u>-</u>	<u>6,913</u>
	<u>6,135,621</u>	<u>96,123</u>	<u>(226,356)</u>	<u>6,005,388</u>
TOTAL FUNDS	<u>12,459,827</u>	<u>343,727</u>	<u>-</u>	<u>12,803,554</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,473,174	(1,225,569)	247,604
Restricted funds			
Capital Fund	-	(165,286)	(165,286)
Flourishing Communities Fund	707,945	(446,537)	261,408
Power to Change Grant Fund	-	-	-
ESF Priority 1.1 – Ignite Aspirations	223,101	(223,101)	-
	<u>931,046</u>	<u>(834,924)</u>	<u>96,123</u>
TOTAL FUNDS	<u>2,404,220</u>	<u>(2,060,493)</u>	<u>343,727</u>

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General Fund	573,552	437,337	(391,840)	619,049
Major and Cyclical Repairs Fund	365,800	-	-	365,800
Disability Adaptations Fund	10,000	-	-	10,000
Small Grants Fund	5,000	-	-	5,000
Housing Development Fund	1,022,000	-	(322,000)	700,000
Fixed Asset Fund	3,926,019	-	698,338	4,624,357
	5,902,371	437,337	(15,502)	6,324,206
Restricted funds				
Capital Fund	6,289,644	(160,936)	-	6,128,708
Flourishing Communities Fund	-	(15,502)	15,502	-
Power to Change Grant Fund	67,570	(60,657)	-	6,913
	<u>6,357,214</u>	<u>(237,095)</u>	<u>15,502</u>	<u>6,135,621</u>
TOTAL FUNDS	<u>12,259,585</u>	<u>200,242</u>	<u>-</u>	<u>12,459,827</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,289,035	(851,698)	437,337
Restricted funds			
Capital Fund	-	(160,936)	(160,936)
Flourishing Communities Fund	344,759	(360,261)	(15,502)
Power to Change Grant Fund	-	(60,657)	(60,657)
Community Led Housing Fund	8,200	(8,200)	-
	<u>352,959</u>	<u>(590,054)</u>	<u>(237,095)</u>
TOTAL FUNDS	<u>1,641,994</u>	<u>(1,441,752)</u>	<u>200,242</u>

Capital Fund

This fund relates to capital grants received which were used to purchase land and buildings. The depreciation on the grant funded element of land and buildings is expended through restricted funds to reduce the capital fund over the life of the assets.

Flourishing Communities Fund

Flourishing Community Services provide a wide range of services, support and activities which enable residents to live well, achieve their ambitions and thrive in their communities. This includes employment support; training and personal development; health and wellbeing; benefits advice; sports and physical activities; environmental activities; volunteering; community events and activities; capacity building and small grants for small groups. The programme has grown substantially this year, underpinned by a number of new grants and contracts focused particularly on Covid-19 support and relief work.

ESF Priority 1.1 – Ignite Aspirations

Supporting residents (29+) across North and East Birmingham into training, education and employment. Delivering wrap-around services including careers IAG, housing surgeries, benefits advice, wellbeing interventions and numeracy/literacy/digital skills etc to help overcome barriers and achieve their aspirations. Programme supports long-term unemployed, residents with disabilities including mental health issues, women, single parents, 50+ and BAME communities.

Power to Change Fund

The creation of an Enabler Hub to promote community led initiatives within the West Midlands. Witton Lodge Community Association as a founding member of the Enabler Hub agreed to take receipt of funding from Power to Change on behalf of the Enabler Hub named West Midlands Urban Community Homes (formerly Birmingham community homes). WMUCH Enabler Hub provides a range of services including community group facilitation, community consultation, identifying funding, assistance with financial and governance arrangements and business planning. WMUCH Enabler Hub now has its own financial credentials and funding goes straight to the organisation and not WLCA.

21. MOVEMENT IN FUNDS - continued**Major and Cyclical Repairs Fund**

This fund relates to monies set aside to finance future planned maintenance of a revenue nature where it relates to major components in social rented housing including the cleaning of UPVC surfaces, clearing of rainwater goods, painting/treating external doors and fences and painting railings and gates etc.

This provision also provides for an amount covering planned major and cyclical repair costs for a period of 5 years from the balance sheet date.

Disability Adaptation Fund

This fund relates to monies set aside each year to provide for adaptation to be carried out in social rented dwellings to help tenants in need to be able to stay in their homes and achieve independent living.

Small Grants Fund

The fund was set up at the start of the re-development process and income was derived from advertising hoardings erected around development plots. The fund is being used to provide grants to fund projects for local groups.

Housing Development Fund

One of the main objectives of the charity is 'to provide social housing for the persons in necessitous circumstances upon terms appropriate to their means'. To ensure furtherance of this objective, Witton Lodge Community Association is committed to the development of further housing stock and has designated funds for part financing this ongoing development programme.

Fixed Asset Fund

The Charity recognises that its tangible fixed assets are used operationally and their disposal would adversely impact on its ability to deliver its aims. The fixed asset fund has been established to ensure that funds, both restricted and designated, exist within the charity at any point in time which equate to the net book value of the fixed assets of the charity (less any outstanding associated debt). The fund has been established as follows:

At 31 March 2021	£
Tangible Fixed Assets - net book value	11,829,222
Associated debt outstanding	(1,460,946)
Capital Fund	<u>(5,963,422)</u>
Fixed Asset Fund	<u><u>4,404,854</u></u>

General Fund

The Trustees have set a policy to hold in general funds an amount which will cover 6 months expenditure. Such time period is considered reasonable to enable the trustees to address any unforeseen issues which might arise without damaging the ability of the charity to continue to deliver its principal objectives. The amount carried forward at 31 March 2021 is based on 6 months budgeted costs for 2021-22.

22. EMPLOYEE BENEFIT OBLIGATIONS

The group contributes to a defined contribution pension scheme on behalf of its employees. The assets of the fund are held separately from those of the group in an independently administered fund. The pension costs charged represents the contributions payable by the group to the fund and amounted to £22,568 (2020: £19,676). Contributions totalling £3,771 (2020: £3,278) were payable to the fund at the balance sheet date and are included in creditors.

23. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Board members include trustees nominated by Birmingham City Council. Although the Association is independent of the City Council, the two organisations work closely with each other for the benefit of the designated area.

Some Board Members hold tenancy agreements with the Association on normal terms and cannot use their position to their advantage. The total of rent charged to the Tenant Board members was £11,996 (2020: £11,714). There are no arrears on those tenancies at the year end (2020: £nil).

During the year ended 31 March 2021 the charity paid a grant of £7,000 (2020: £889) to Urban Devotion Birmingham, a charity in which one of the current trustees of Witton Lodge Community Association, holds a role within key management.