

REGISTERED COMPANY NUMBER: 02189380 (England and Wales)
REGISTERED CHARITY NUMBER: 1061855

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
FOR
WINCHESTER HOUSING TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

WINCHESTER HOUSING TRUST LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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WINCHESTER HOUSING TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 30 SEPTEMBER 2021

TRUSTEES	N S Green Ms K Freemantle (resigned 12.8.2021) Ms K Learney A J Sydney I Tait E J Wells I M Deans (appointed 25.2.2021) G Rumbell (appointed 25.2.2021) Ms J Samuels (appointed 25.2.2021) J K Lander J O'Donovan (appointed 17.4.2021)
COMPANY SECRETARY	A D C Simpson
REGISTERED OFFICE	Highland House Mayflower Close Chandler's Ford Eastleigh Hampshire SO53 4AR
REGISTERED COMPANY NUMBER	02189380 (England and Wales)
REGISTERED CHARITY NUMBER	1061855
AUDITORS	Hopper Williams & Bell Limited Statutory Auditor Highland House Mayflower Close Chandler's Ford Eastleigh Hampshire SO53 4AR
BANKERS	Lloyds Bank plc 3-5 Bridge Street Newbury Berkshire RG14 5BQ

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 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 30 September 2021. The trustees have adopted the provisions of 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' issued in October 2019.

OBJECTIVES AND ACTIVITIES

Principal Objectives

The powers of the trust, for the furtherance of the trust's objectives and activities are set out in its memorandum and articles of association.

The trust aims to provide those in housing need within Winchester and the surrounding area with affordable housing. The strategies that it adopts in order to do this include the following:

- Building affordable housing within the Hampshire area to provide additional accommodation. This can then be rented or sold on a shared equity or shared ownership basis to individuals in need.
- Purchasing properties in order to increase its current portfolio to increase the accommodation available.
- Renting out properties that it owns at an affordable rate for those individuals requiring accommodation.
- Assisting with the purchase of properties by individuals by entering into shared equity/ownership schemes. This allows the vendor to buy the majority share whilst the trust purchases the remainder.
- Repurchasing shared equity property to sell on to others who wish to have assistance with buying their own property.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the trust has successfully worked towards the above aims. All achievements have been in line with the internal targets set by the trustees. The trustees intend to continue in the same manner during the coming year, reviewing the strategy in a changing environment on a bi monthly basis.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

FINANCIAL REVIEW

Property Movements

All investment properties are held with a view to furthering the aims of the trust. The trust purchased an additional 35% share of a shared ownership property at 11 Wales Street for £101,500 and have introduced a rental figure for the amount not owned by the resident. The rented properties have continued to be maintained and improved to protect the value and enhance the quality of living for the tenants. A stock improvement expenditure of £30,000 was made during the financial year and a budget of £60,000 per annum for 2021/22 has been allocated for new bathrooms, replacement windows and doors and a significant guttering replacement programme in Colson Road.

The properties were professionally valued in November 2021 by Carter Jonas.

Development Sites

The trust works with parish councils and developers with S106 obligations whenever it can to explore potential development opportunities and this process is being managed by the Chief Executive. The trust will continue to explore sites for development with its main objective to generate additional rental income which may result in an increase in its borrowing potential and loan serviceability. However, increasingly, the trust is looking to work within its means and to acquire units on a turn key basis funded by income generation and prudent use of reserves. The trust will be mindful of the upfront financial risk being undertaken before committing funds to any project through appropriate project assessment.

The trust is exploring development opportunities both through Winchester City Council and other local authorities alongside private landowners as well as forming relationships with developers, land agents and planning consultants to further its work. Rural development will be the focus for the trust going forward with a strategy to increase the portfolio, within its means secured either via new development or S106 opportunities. This financial period has seen the trust consolidating its financial resources despite the pandemic through its partnership agreement with Rentplus offering a "Rent to Buy" product which complements its rental offer. The trust has produced a 5 year business plan and there is a requirement to establish a clear and realistic pipeline of new development opportunities and the purchase of new units. These purchases will be partly funded through the leasehold management work facilitating with Rentplus. The trust continues to investigate other forms of income maximisation including the management of leasehold properties on behalf of other providers.

Results for the Year

The trust has created a net income surplus (before property gains and losses) during the year of £42,909 (2020 - £92,272). Rental income increased during the year from £375,913 to £638,787. Resources expended have increased during the year from £283,641 to £592,568. These costs are carefully managed by the trustees. All areas of expenditure were within or close to budgetary expectations.

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The trustees consider that by following the aims stated above to provide affordable housing in the Winchester and surrounding area, the trust is serving the benefit of the public in this community.

Risk Management

The Charity continues to monitor its risk management strategy through regular reviews and discussions and are in the process of planning its next comprehensive review.

The risk management strategy comprises:

- initial comprehensive review of risks across all areas of the organisation's activity;
- establishment of systems and procedures to mitigate the risks identified; and
- continued monitoring of potential risks regularly reported to the board.

Funding

The trust is funded by reserves and a low level of bank lending from Lloyds Bank.

Reserves

It is the trust's policy to continue to provide affordable housing in exchange for rental income and continue to build up reserves through operating surpluses. All reserves are unrestricted.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The trust considers that its fixed assets, which total £7,103,829 (2020 - £6,761,756), do not constitute free reserves as they are held for the purpose of generating income to further the trust's objectives. The balance of free reserves amounts to £621,395 (2020 - £680,403) (excluding bank loans due in less than 1 year of £58,869 (2020 - £50,616) and bank loans due in greater than 1 year of £1,061,145 (2020 - £1,069,287) at the balance sheet date). This is in excess of the reserves policy, to hold 3 months' expenditure (excluding further property investment), which equates to approximately £90,000. The additional funds are held at present in order to ensure the trust is able to meet its requirements with regard to purchasing property as and when required.

FUTURE PLANS

The board of trustees took the decision that it would not pursue an application to become a Registered Provider. Following the discussions with the Registered Provider Consultant, the board has decided to formally make its subsidiary WHT Homes Ltd dormant and to not pursue Registered Provider status due to the limitations of the borrowing potential of the trust. Future new property acquisitions will be made directly from developers and are likely to be purchased from generated surplus complemented by the additional Rentplus work and free of grant funding. The subsidiary has been set aside for the time being and may be revisited in the future should the need arise. WHT continues to grow its partnership agreement to manage affordable Rent to Buy housing on a leasehold basis with Rentplus. The trust has signed lease agreements for units in Bracknell and Bordon to manage a further 114 units in total and by the end of the financial year, 67 of these units had been completed. This model has increased the provision of affordable housing and increased income into the trust to facilitate the pursuit of its objectives. The trust is in discussions to expand this provision with developments within its designated area of operation. In order to develop the portfolio of the trust, the trust has entered into discussions with Handelsbanken with a view to moving its banking activities and lending away from Lloyds Bank. This will provide greater opportunity to extend borrowing as opportunities arise.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

This Trustees' Report is also a Directors' Report required by section 415 of the Companies Act 2006.

Governing Documents

Winchester Housing Trust was incorporated as an independent charity and company limited by guarantee in 1987. It is governed by the memorandum and articles of association with the last amendment being made by a resolution dated 19 February 2020. These have recently been reviewed and are with the Charity Commission for consideration.

Organisation

The Board of Winchester Housing Trust consists of ten trustees and a Company Secretary. The articles of association are being amended to accommodate this number of Trustees, as there are currently four trustees in excess of the number stated there.

Induction of Trustees

Potential trustees attend a board meeting to assess whether they would like to join the board and are considered suitable. They meet with two members of the senior management team before their first board meeting to discuss trusteeship and to clarify any questions about trusteeship and the organisation.

New trustees are given information on being a trustee, and other appropriate information about the trust.

Organisational Structure and Decision making

The day to day running and forward planning of the organisation is the responsibility of the trust's Company Secretary and Chief Executive, Mr Andrew Simpson who has been employed since March 2018. The Company Secretary and Chief Executive reports to the board which meets bi-monthly and is responsible for ensuring that the organisation fulfils its charitable remit. The regular reporting covers the work plan and targets across many aspects - financial, operational, risk management and strategic development.

Board members are not generally involved in the day to day management of the organisation as such, but they volunteer expertise in their specialist areas when it is needed.

Winchester Housing Trust has three employees, a full time Company Secretary/Chief Executive, a full time Housing Officer and a part-time Finance Officer.

Directors

The trustees who served during the year and up to the date of this report are listed on page 1 of these statements. Each trustee has given a direct £1 guarantee.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Winchester Housing Trust Limited 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; and
- 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, Hopper Williams & Bell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 9 February 2022 and signed on its behalf by:



A.Simpson (Feb 15, 2022 17:17 GMT)

A D C Simpson - Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WINCHESTER HOUSING TRUST LIMITED

Opinion

We have audited the financial statements of Winchester Housing Trust Limited (the 'charitable company') for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WINCHESTER HOUSING TRUST LIMITED

Matters on which we are required to report by exception

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

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the trustees' Report.

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 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 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.

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 WINCHESTER HOUSING TRUST LIMITED

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.

Michaela Johns

Michaela Johns (FCCA) (Senior Statutory Auditor)
for and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

Date: 15/02/2022
Date:

WINCHESTER HOUSING TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

		2021	2020
		Unrestricted	Total funds
		funds	
	Notes	£	£
INCOME AND ENDOWMENTS FROM			
Charitable activities	2		
Provision of housing		635,477	375,913
EXPENDITURE ON			
Charitable activities	3		
Provision of housing		592,568	283,641
Net gains/(losses) on investments		(20,000)	(48,558)
NET INCOME		22,909	43,714
Other recognised gains/(losses)			
Gains on revaluation of fixed assets		260,045	-
Net movement in funds		282,954	43,714
RECONCILIATION OF FUNDS			
Total funds brought forward		6,322,256	6,278,542
TOTAL FUNDS CARRIED FORWARD		6,605,210	6,322,256
CONTINUING OPERATIONS			
All income and expenditure has arisen from continuing activities.			

The notes form part of these financial statements

BALANCE SHEET
30 SEPTEMBER 2021

		2021 Total funds £	2020 Total funds £
	Notes		
FIXED ASSETS			
Tangible assets	10	1,364	836
Investments			
Investments	11	1	1
Social investments	12	7,102,464	6,760,919
		7,103,829	6,761,756
CURRENT ASSETS			
Debtors	13	18,195	46,984
Cash at bank		740,710	668,918
		758,905	715,902
CREDITORS			
Amounts falling due within one year	14	(196,379)	(86,115)
NET CURRENT ASSETS		562,526	629,787
TOTAL ASSETS LESS CURRENT LIABILITIES		7,666,355	7,391,543
CREDITORS			
Amounts falling due after more than one year	15	(1,061,145)	(1,069,287)
NET ASSETS		6,605,210	6,322,256
FUNDS	19		
Unrestricted funds		6,605,210	6,322,256
TOTAL FUNDS		6,605,210	6,322,256

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 9 February 2022 and were signed on its behalf by:


Nigel S Green (Feb 15, 2022 16:24 GMT)

N S Green - Trustee

The notes form part of these financial statements

WINCHESTER HOUSING TRUST LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	269,958	104,101
Interest paid		(44,927)	(41,485)
Net cash provided by operating activities		225,031	62,616
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,076)	(1,114)
Purchase of social investments		(101,500)	-
Sale of fixed asset investments		-	(37,308)
Sale of social investments		-	101,058
Net cash (used in)/provided by investing activities		(102,576)	62,636
Cash flows from financing activities			
Loan repayments in year		(50,663)	(56,671)
Net cash used in financing activities		(50,663)	(56,671)
Change in cash and cash equivalents in the reporting period		71,792	68,581
Cash and cash equivalents at the beginning of the reporting period		668,918	600,337
Cash and cash equivalents at the end of the reporting period		740,710	668,918

The notes form part of these financial statements

WINCHESTER HOUSING TRUST LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 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)	22,909	43,714
Adjustments for:		
Depreciation charges	548	476
Losses on investments	20,000	48,558
Interest paid	44,927	41,485
Finance costs	50,774	-
Decrease/(increase) in debtors	28,789	(39,123)
Increase in creditors	102,011	8,991
Net cash provided by operations	269,958	104,101

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.20 £	Cash flow £	At 30.9.21 £
Net cash			
Cash at bank	668,918	71,792	740,710
	<u>668,918</u>	<u>71,792</u>	<u>740,710</u>
Debt			
Debts falling due within 1 year	(50,616)	(8,253)	(58,869)
Debts falling due after 1 year	(1,069,287)	8,142	(1,061,145)
	<u>(1,119,903)</u>	<u>(111)</u>	<u>(1,120,014)</u>
Total	<u>(450,985)</u>	<u>71,681</u>	<u>(379,304)</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

Winchester Housing Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Social investments

Individual fixed assets are initially recorded at cost, being purchase price or valuation, less depreciation. All eligible assets are capitalised with no minimum level in place.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Fixtures, fittings and equipment: 25% straight line basis

Programme related investments

Programme related investments represent freehold properties held by the trust. Where the property is unencumbered the full equity value held is included.

1. ACCOUNTING POLICIES - continued

Social investments

These properties are subject to regular revaluation, and a full revaluation was undertaken in 2021. Land and buildings are not depreciated which is a departure from the general requirement of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the trustees, non-compliance with the standard is necessary for financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

Fixed asset investments

Investments in unquoted equity instruments whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors

Trade debtors are amounts due from tenants in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

There are no restricted funds held by the charity at this time or any time throughout the current or prior year.

1. ACCOUNTING POLICIES - continued

Fund accounting

Further details of each fund are disclosed in note 18.

Financial instruments

Classification

Financial assets are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

WINCHESTER HOUSING TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	Provision of housing	Total activities
	£	£
Property rental income	635,477	375,913

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 4)	Support costs (see note 5)	Totals
	£	£	£
Provision of housing	585,428	7,140	592,568

4. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	129,634	119,327
Insurance	14,191	8,162
Postage and stationery	552	613
Sundries	1,502	1,012
Repairs and maintenance	90,146	69,999
Office expenses	8,307	9,444
Subscriptions	-	4,810
Travel and subsistence	3,371	1,356
Legal fees	68,322	10,759
Rent and rates	2,155	7,288
Lease charges to Rentplus	170,999	-
Loan arrangement fee (Lloyds bank)	50,774	-
Depreciation	548	476
Interest payable and similar charges	44,927	41,485
	585,428	274,731

All of the above expenditure was unrestricted.

WINCHESTER HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. SUPPORT COSTS

	Governance costs £
Provision of housing	7,140

Support costs, included in the above, are as follows:

	2021 Provision of housing £	2020 Total activities £
Auditors' remuneration	4,950	6,000
Auditors' remuneration for non audit work	2,190	2,910
	7,140	8,910

6. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Auditors' remuneration	4,950	6,000
Auditors' remuneration for non audit work	2,190	2,910
Depreciation - owned assets	548	475

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2021 (2020 - £nil).

Trustees' expenses

No trustees have been reimbursed expenses from the charity during the year (2020 - £60) .

8. STAFF COSTS

	2021 £	2020 £
Wages and salaries	116,679	107,534
Social security costs	7,942	6,719
Other pension costs	5,013	5,074
	129,634	119,327

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

	2021	2020
Charitable activities	3	3

WINCHESTER HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021****8. STAFF COSTS - continued**

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

	2021	2020
£60,001 - £70,000	1	1
	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £74,258 (2020 - £74,273).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Charitable activities	
Provision of housing	375,913
 EXPENDITURE ON	
Charitable activities	
Provision of housing	283,641
Net gains/(losses) on investments	(48,558)
NET INCOME	<u>43,714</u>
 RECONCILIATION OF FUNDS	
Total funds brought forward	6,278,542
 TOTAL FUNDS CARRIED FORWARD	<u><u>6,322,256</u></u>

WINCHESTER HOUSING TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021****10. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
COST	
At 1 October 2020	10,773
Additions	1,076
	<hr/>
At 30 September 2021	11,849
	<hr/>
DEPRECIATION	
At 1 October 2020	9,937
Charge for year	548
	<hr/>
At 30 September 2021	10,485
	<hr/>
NET BOOK VALUE	
At 30 September 2021	1,364
	<hr/>
At 30 September 2020	836
	<hr/>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2020 and 30 September 2021	1
	<hr/>
NET BOOK VALUE	
At 30 September 2021	1
	<hr/>
At 30 September 2020	1
	<hr/>

This relates to a £1 shareholding in WHT Homes Limited.

WHT Homes Limited was incorporated in the United Kingdom on 17 October 2017 and is a wholly owned dormant subsidiary of the charity. The subsidiary has been valued in the accounts at the original nominal value.

WINCHESTER HOUSING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 SEPTEMBER 2021

12. SOCIAL INVESTMENTS

	Land and buildings £
MARKET VALUE	
At 1 October 2020	6,760,919
Additions	101,500
Revaluations	260,045
Impairments	(20,000)
	<hr/>
At 30 September 2021	7,102,464
	<hr/>
NET BOOK VALUE	
At 30 September 2021	7,102,464
	<hr/>
At 30 September 2020	6,760,919
	<hr/>

The trust's land and buildings were revalued as at 8 November 2021 by Carter Jonas.

The current valuation standards indicate valuations for 'registered social housing providers' properties should be valued on the basis of Existing Use Value for Social Housing. Although Winchester Housing Trust is not a registered social housing provider, the actual function of the trust is similar to that of a social housing provider. The properties are therefore valued on the Existing Use Value for Social Housing on the encumbered units used for social rented housing, with the remainder of properties valued on the basis of market value.

The trust holds a mixture of properties both encumbered and unencumbered. The encumbered units are subject to the restriction that they are to be used for affordable housing, either social rented or shared equity. These are valued at vacant possession unencumbered values and then a discount is applied to reflect the encumbrances.

The trust has a 25-40% interest in properties built on land transferred to the trust by Winchester City Council. The remaining percentage holding of these properties has been sold on a shared equity basis to council nominations. Prior to 2017, in view of the conditions imposed and the fact that the trust currently does not enforce its right to rental income on its percentage holding of these properties, only the value of holdings in excess of 25% was reflected with the land and buildings valuation above. If disposed of in the future the capital appreciation was reflected as appropriate. It was considered that this estimate would be excessively prudent with the increased discount under the existing use valuation method. Therefore, the whole of the trust's interest in a property is reflected in the accounts.

Where shared equity properties are unencumbered the whole of the equity retained by Winchester Housing Trust Limited is valued.

Cost or valuation at 30 September 2021 is represented by:

	Land and buildings £
Valuation in 2021	240,045
Valuation in 2017	3,440,340
Cost	3,422,079
	<hr/>
	7,102,464
	<hr/>

WINCHESTER HOUSING TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	14,916	7,101
Other debtors	-	1,289
Prepayments and accrued income	3,279	38,594
	<u>18,195</u>	<u>46,984</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	58,869	50,616
Trade creditors	92,013	12,234
Social security and other taxes	2,160	-
Other creditors	10,284	9,869
Accruals and deferred income	33,053	13,396
	<u>196,379</u>	<u>86,115</u>

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

	2021	2020
	£	£
Bank loans (see note 16)	<u>1,061,145</u>	<u>1,069,287</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>58,869</u>	<u>50,616</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>256,838</u>	<u>225,939</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans greater than 5 years	804,307	843,348

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	8,085	-
Between one and five years	30,950	-
In more than five years	52,101	-
	<u>91,136</u>	<u>-</u>

The operating lease commitments are in relation to contracts with Rentplus. The commitments shown are an estimate, based on the estimated maximum exposure of the charity to void periods on properties (where the charity would be liable to pay 75% of the rental income for up to three months whilst the property has no tenant). The calculation above also assumes that 25% of the properties will be sold each five years, in line with the contracts.

18. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>1,120,014</u>	<u>1,119,903</u>

Bank loans

The loan relates to a Lloyds Bank variable rate interest loan running for 16 years from 2020 - 2036. The nominal interest rate is 3.24% above the base rate.

19. MOVEMENT IN FUNDS

	At 1.10.20	Net movement in funds	At 30.9.21
	£	£	£
Unrestricted funds			
General fund	2,881,916	22,909	2,904,825
Revaluation Reserve	3,440,340	260,045	3,700,385
	<u>6,322,256</u>	<u>282,954</u>	<u>6,605,210</u>
TOTAL FUNDS	<u>6,322,256</u>	<u>282,954</u>	<u>6,605,210</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**19. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	635,477	(592,568)	(20,000)	22,909
Revaluation Reserve	-	-	260,045	260,045
	<u>635,477</u>	<u>(592,568)</u>	<u>240,045</u>	<u>282,954</u>
TOTAL FUNDS	<u>635,477</u>	<u>(592,568)</u>	<u>240,045</u>	<u>282,954</u>

Comparatives for movement in funds

	At 1.10.19 £	Net movement in funds £	Transfers between funds £	At 30.9.20 £
Unrestricted funds				
General fund	2,819,040	43,714	19,162	2,881,916
Revaluation Reserve	3,459,502	-	(19,162)	3,440,340
	<u>6,278,542</u>	<u>43,714</u>	<u>-</u>	<u>6,322,256</u>
TOTAL FUNDS	<u>6,278,542</u>	<u>43,714</u>	<u>-</u>	<u>6,322,256</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	375,913	(283,641)	(48,558)	43,714
	<u>375,913</u>	<u>(283,641)</u>	<u>(48,558)</u>	<u>43,714</u>
TOTAL FUNDS	<u>375,913</u>	<u>(283,641)</u>	<u>(48,558)</u>	<u>43,714</u>

Revaluation Reserve

The revaluation reserve comprises unrealised gains on programme-related investments.

20. EMPLOYEE BENEFIT OBLIGATIONS

The Charitable company has a defined contribution pension scheme. Contributions made in the year and charged to the SOFA were £5,013 (2020 - £5,074) and the creditor at the year end £922 (2020 - £268).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2021 (2020 - none).

22. POST BALANCE SHEET EVENTS

On 29 October 2021 the charity entered into a contract to buy 6 units situated in North Whiteley for £680k, to further extend its housing provision. It is expected that these units will be ready to occupy by the end of the financial year 2021-22.