

Charity registration number 1110645

Company registration number 5328976 (England and Wales)

SAFE HAVEN LONDON
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

SAFE HAVEN LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr E J Chesterman Mr J Kerr Mr M C Patton Mr S J Woodland
Charity number	1110645
Company number	5328976
Registered office	Thorncroft Manor Leatherhead Surrey KT22 8JB
Auditor	CBW Audit Limited 66 Prescott Street London E1 8NN
Bankers	Bank of Ireland 36 Queen Street London EC4R 1HJ

SAFE HAVEN LONDON

CONTENTS

	Page
Trustees' report	1 - 3
Statement of Trustees' responsibilities	4
Independent auditor's report	5 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 21

SAFE HAVEN LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2022

The Trustees who are also directors of the charitable company for the purposes of the Companies Act have pleasure in submitting their report and the financial statements of the charitable company for the year ended 31 January 2022.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Reference and administrative details

Safe Haven London is a company limited by guarantee, incorporated on 11 January 2005, governed by its Memorandum and Articles of Association and with the Company number 5328976. It is a charity registered with the Charities Commission on 29 July 2005, with the Charity number 1110645. The Charity's registered address is:

Thorncroft Manor
Thorncroft Drive
Leatherhead
Surrey
KT22 8JB

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr N F Markham
Mr E J Chesterman
Mr J Kerr
Mr M C Patton
Mr S J Woodland

Objectives and activities

Safe Haven London was formed for the purpose of providing housing to local government bodies for people requiring assistance to find accommodation. Safe Haven London's activities were intended initially for the benefit of tenants of the London Borough of Ealing, but also potentially tenants of other London boroughs.

In 2005 the charitable company entered into agreements with the London Borough of Ealing to acquire properties suitable for their social housing requirements and with the Bank of Ireland and Partnerships UK plc to finance the acquisitions.

The charitable company completed a programme of repayments which repaid approximately half of the term debt within twelve years from the commencement of the leases out of the net income of the charitable company.

In 2016 the charitable company entered into agreements with Plexus (First Project) Limited to start to realise its intention to move the purchased stock from temporary to permanent social housing.

In 2019 the Charity commenced planning for a pilot scheme for a shared ownership project named AnyNest. The Charity engaged Co-Ownership, a Northern Irish Housing Association as its operational partner for the pilot scheme.

Additional funds raised by the Charity from Bank of Ireland in 2016 were used to refurbish the stock of properties to Decent Homes Standard and extend its leasehold interests in these properties to secure their availability for the Charity's objectives for the long term.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

SAFE HAVEN LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Achievements and performance

The Charity completed a disposal of its property portfolio during the final quarter of 2021. In support of this process, the Charity's bank facilities were rolled over and repaid on completion of the disposal.

The Charity plans to reinvest / redeploy the surplus generated from the sale of the portfolio in order to expand its operations and to provide relief to a greater number of homeless families and those living in housing poverty. In support of this aim, the charity updated its charitable objects.

As of 31 January 2022, the Charity has been unaffected by the Covid-19 pandemic. In addition, Brexit is not expected to have a material impact on the Charity as a solely UK-focussed social enterprise.

Financial review

The charitable company currently has a net movement of funds of £11,798,193 (2021: deficit £492,640). The net assets of the charity totalled £26,972,959 (2021: £28,317,731).

It is the policy of the Charity that unrestricted liquid funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six- month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Notable events

The Charity has continued to develop a pilot scheme for a shared ownership project. To this end, the Charity incorporated a subsidiary company limited by guarantee. The Charity is the guarantor. It is intended that the Charity has extended a loan to the subsidiary for the pilot scheme. The launch of the pilot commenced in September 2021.

The Charity has switched banking facilities to Lloyds.

The Charity intends to continue to re-invest any realised gains and reserves from its activities that generate a surplus in furtherance of the objects in the Charity's Constitution.

Structure, governance and management

The structure of the Charity, its Charity and Company numbers, its principal advisors and the names of its trustees are set out in the Legal, Reference and Administrative sections of this Annual Report and Financial Statements. Details of the staff employed in furtherance of the objects of the Charity are provided in the Notes to the Financial Statements.

SAFE HAVEN LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JANUARY 2022**

A Trustee's appointment may cease automatically upon the happening of certain events as set out in the Articles. The trustees are entitled to appoint and remove further trustees by unanimous resolution. Every trustee must sign a declaration of willingness to act as a trustee of the charitable company before he or she is eligible to vote at any meeting of the Trustees. Trustees are not obliged to retire by rotation. None of the trustees has any beneficial interest in the charitable company.

N F Markham has a number of years' experience in local government and E J Chesterman is a property consultant and therefore both have the appropriate skills and knowledge for their role as trustees.

In 2019, the Charity appointed three additional trustees, James Kerr, Mark Patton and Stephen Woodland. Mr Kerr is a property consultant, Mr Patton has a track record of commercial experience and Mr Woodland has a track record of experience in public benefit entities.

There is no formal policy in place but the Trustees intend that any future appointments be persons of suitable commercial experience.

The members of the charitable company guarantee to contribute £1 in the event of a winding up.

The charitable company had a close relationship with the London Borough of Ealing to whom it provided the properties for social housing purposes by way of a nomination agreement which has expired.

Funds held as custodian trustee

Neither the Charity, or its trustees, act as custodians of funds on behalf of others.

Auditor

In accordance with the company's articles, a resolution proposing that CBW Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Exemptions from disclosure

The Charity does not have, nor has requested, any exemptions from disclosure from the Charity Commission.

The Trustees' report was approved by the Board of Trustees.

Mr M C Patton

Dated: 31 October 2022

SAFE HAVEN LONDON

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JANUARY 2022

The Trustees, who are also the directors of Safe Haven London for the purpose of company law, are responsible for preparing the Trustees' Report 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 Charity will continue in operation.

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

SAFE HAVEN LONDON

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SAFE HAVEN LONDON

Opinion

We have audited the financial statements of Safe Haven London (the 'Charity') for the year ended 31 January 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity 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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

SAFE HAVEN LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SAFE HAVEN LONDON

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

In the light of the knowledge and understanding of the 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 in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

SAFE HAVEN LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SAFE HAVEN LONDON

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the company were identified through discussions with directors and other management, and from our commercial knowledge and experience of Safe Haven London. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act, Companies Act 2006, Coronavirus Act 2020, data protection, anti-bribery, employment and environmental legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SAFE HAVEN LONDON

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SAFE HAVEN LONDON

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.

**Paul Woosey (Senior Statutory Auditor)
for and on behalf of CBW Audit Limited**

31 October 2022

**Chartered Accountants
Statutory Auditor**

66 Prescott Street
London
E1 8NN

SAFE HAVEN LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Charitable activities	4	1,875,464	2,127,619
Investments	3	-	6,425
Total income		1,875,464	2,134,044
<u>Expenditure on:</u>			
Charitable activities	5	2,499,535	1,884,485
Net (outgoing)/incoming resources		(624,071)	249,559
Other recognised gains and losses			
Revaluation of tangible fixed assets		-	(742,199)
Other gains or losses	10	12,422,264	-
Net movement in funds		11,798,193	(492,640)
Fund balances at 1 February 2021		15,174,766	28,810,371
Fund balances at 31 January 2022		26,972,959	28,317,731

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SAFE HAVEN LONDON

BALANCE SHEET

AS AT 31 JANUARY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		933,686		43,001,735
Investments	12		45,000		45,000
			<u>978,686</u>		<u>43,046,735</u>
Current assets					
Debtors	13	226,274		1,204,525	
Cash at bank and in hand		25,845,156		8,194,576	
		<u>26,071,430</u>		<u>9,399,101</u>	
Creditors: amounts falling due within one year	15	(77,157)		(92,966)	
Net current assets			<u>25,994,273</u>		<u>9,306,135</u>
Total assets less current liabilities			<u>26,972,959</u>		<u>52,352,870</u>
Creditors: amounts falling due after more than one year	16		-		(24,035,139)
Net assets			<u><u>26,972,959</u></u>		<u><u>28,317,731</u></u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		26,676,335		14,878,142	
Revaluation reserve		296,624		13,439,589	
		<u>26,972,959</u>		<u>28,317,731</u>	
			<u><u>26,972,959</u></u>		<u><u>28,317,731</u></u>

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

The financial statements were approved by the Trustees on 31 October 2022

Mr M C Patton
Trustee

Company Registration No. 5328976

SAFE HAVEN LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(416,818)		(11,090)
Investing activities					
Purchase of tangible fixed assets		-		(185,708)	
Proceeds on disposal of tangible fixed assets		42,067,398		-	
Investment income received		-		6,425	
Net cash generated from/(used in) investing activities			42,067,398		(179,283)
Financing activities					
Repayment of bank loans		(24,000,000)		-	
Net cash used in financing activities			(24,000,000)		-
Net increase/(decrease) in cash and cash equivalents			17,650,580		(190,373)
Cash and cash equivalents at beginning of year			8,194,576		8,384,949
Cash and cash equivalents at end of year			25,845,156		8,194,576

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

Charity information

Safe Haven London is a private company limited by guarantee incorporated in England and Wales. The registered office is Thorncroft Manor, Leatherhead, Surrey, KT22 8JB.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The charity does not operate any restricted or endowment funds.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Turnover is measured at the fair value of the consideration received or receivable and represents lease income in respect of properties let out to the London Borough of Ealing and Plexus (First Project) Limited for social housing. Income is recorded net of discounts, VAT and other sales related taxes.

1.5 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 of 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 are allocated on the portion of the asset's use.

Resources expended are recognised when they fall due, unless the benefit derived from incurring an expense spans more than one year; in which case such costs are apportioned over the period to which they relate.

Costs of activities in furtherance of the charity's objectives include all costs associated with the management and financing of the properties. Expenditure includes any VAT that cannot be recovered.

The charity has only one activity and therefore costs are not allocated in any way across different activities.

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured under the cost or the revaluation model, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	50 years
Computers	15% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The Charity's policy is to maintain leasehold properties to a 'decent homes' standard. The trustees have decided not to depreciate these assets in view of the fact that the assets concerned are to be included in the accounts at market value.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Loan facility fees

Costs incurred in arranging new loan facilities are treated as transactions costs and are netted off against the loan when accounting for it under the amortised costs basis.

2 Critical accounting estimates and judgements

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.

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

3 Investments

	Total	Unrestricted funds
	2022	2021
	£	£
Interest receivable	-	6,425

4 Charitable activities

	Lease income	Lease income
	2022	2021
	£	£
Charitable rental income	1,875,464	2,127,619

5 Charitable activities

	Direct activities	Direct activities
	2022	2021
	£	£
Insurance	21,120	8,465
Plexus set up costs: annual release	695,268	40,328
Repairs and Maintenance	6,739	21,495
Project Management Fees	412,082	249,893
Interest Payable and Similar Charges	664,174	861,911
Rent	(6,574)	39,129
Telephone and Fax	1,628	1,593
Printing Postage and Stationary	515	190
Sundry Expenses	5,942	1,829
Travel and Subsistence	764	82
Ground Rent	1,085	3,356
Service Charges	246,172	243,054
Other charitable expenditure	7,435	162,833
	<u>2,056,350</u>	<u>1,634,158</u>
Share of support costs (see note 6)	651	380
Share of governance costs (see note 6)	442,534	249,947
	<u>2,499,535</u>	<u>1,884,485</u>

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

6 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	-	164,593	164,593	-	94,379
Depreciation	651	-	651	380	-
Staff training and recruitment	-	44,100	44,100	-	-
Audit fees	-	15,270	15,270	-	19,800
Accountancy	-	45,749	45,749	-	4,895
Legal and professional	-	172,465	172,465	-	130,827
Bank charges	-	357	357	-	46
	<u>651</u>	<u>442,534</u>	<u>443,185</u>	<u>380</u>	<u>249,947</u>
Analysed between Charitable activities	<u>651</u>	<u>442,534</u>	<u>443,185</u>	<u>380</u>	<u>249,947</u>

Governance costs includes payments to the auditors of £13,500 (2021- £12,000) for audit fees.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

8 Employees

The average monthly number employees during the year was:

	2022 Number	2021 Number
Administration	<u>2</u>	<u>2</u>
Employment costs	2022 £	2021 £
Wages and salaries	148,444	87,155
Social security costs	13,946	5,711
Other pension costs	2,203	1,513
	<u>164,593</u>	<u>94,379</u>

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

8 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
Band: £60,000-£70,000	1	-
Band: £70,000-£80,000	1	-

9 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

10 Other gains or losses

	Unrestricted funds	Total
	2022 £	2021 £
Gains arising from closure of activity	(12,422,264)	-

11 Tangible fixed assets

	Buildings £	Computers £	Total £
Cost or valuation			
At 1 February 2021	43,000,000	3,253	43,003,253
Disposals	(42,067,398)	-	(42,067,398)
At 31 January 2022	932,602	3,253	935,855
Depreciation and impairment			
At 1 February 2021	-	1,518	1,518
Depreciation charged in the year	-	651	651
At 31 January 2022	-	2,169	2,169
Carrying amount			
At 31 January 2022	932,602	1,084	933,686
At 31 January 2021	43,000,000	1,735	43,001,735

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

11 Tangible fixed assets

(Continued)

Land and buildings with a carrying amount of £43,000,000 were revalued on October 2021 by Jones Lang LaSalle Limited (JLL), an independent professional services firm specialising in real estate services. The valuation conformed to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties, as adjusted for the properties undergoing refurbishment works to conform to the 'decent homes standard' prior to being sub-leased to Plexus, an independent social housing provider. This valuation was considered appropriate at 31 January 2021 and the bulk of the portfolio of properties was sold during the year ended 31 January 2022.

At 31 January 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £151,935 (2021 - £24,236,069).

The revaluation reserve represents the following movements:

Balance as 1 February 2021	£ 13,439,589
Disposals	<u>£(13,142,965)</u>
Balance at 31 January 2022	<u>£ 296,624</u>

Refurbishment works represented costs that were actually incurred by the charity in improving the properties to a "decent homes" standard. The valuation of £44,400,000 carried out by JLL in 2016 was based on the assumption that these costs would have been incurred. Accordingly, when they are incurred, they were capitalised within fixed assets but were immediately netted against the revaluation reserve as the costs were already reflected in the carrying value of the properties. The majority of the properties were sold during the year.

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 February 2021 & 31 January 2022	45,000
Carrying amount	
At 31 January 2022	45,000
At 31 January 2021	45,000

The subsidiary, Safe Haven London (Shared Ownership) Limited, is a company limited by guarantee without share capital and was dormant during the year and so has not been consolidated.

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	76,154	248,950
Other debtors	150,120	74,067
Prepayments and accrued income	-	881,508
	<u>226,274</u>	<u>1,204,525</u>

14 Loans and overdrafts

	2022 £	2021 £
Bank loans	-	24,000,000
	<u>-</u>	<u>24,000,000</u>
Payable after one year	-	24,000,000
	<u>-</u>	<u>24,000,000</u>

The long-term loans, repaid in full during the year, were secured by fixed and floating charges over the undertaking and all properties and assets of the charitable company.

The charity refinanced its loan facility on 6 July 2016. The outstanding loan was repaid in full by the new loan facility of £24,000,000 provided by the Bank of Ireland. This was a five year loan with interest at a fixed rate of 3.56% per annum which was payable quarterly. No capital repayments are due until the end of the term of the loan. The loan was repaid in full during the year.

The loan was recorded net of transactions costs comprising loan facility fees of £439,514 and broking fees of £280,000. These were amortised periodically over the term of the loan. The annual release was shown in the SOFA as "amortisation of loan facility fees: new loan".

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	6,212	1,580
Trade creditors	52,495	69,172
Other creditors	-	3,614
Accruals and deferred income	18,450	18,600
	<u>77,157</u>	<u>92,966</u>

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	14	-	24,000,000
Other creditors		-	35,139
		<u>-</u>	<u>24,035,139</u>

The bank loans are secured by fixed and floating charges over the undertaking and all properties and assets of the charitable company.

Amounts shown under 'other creditors' represent the accumulated amortisation of transaction costs that are netted against the bank loan of £24m. These costs comprise loan facility fees of £439,514 and broking fees of £280,000, and are being amortised periodically over the term of the loan. The annual release is shown in the SOFA as "amortisation of loan facility fees: new loan".

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	77,459	49,962
	<u>77,459</u>	<u>49,962</u>

None of the Trustees or anyone connected with them received remuneration from the charity in the year.

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

	2022 £	2021 £
Entities in which the Trustees have interests	44,219	77,735
	<u>44,219</u>	<u>77,735</u>

Amounts owed to related parties

	2022 £	2021 £
Entities in which the Trustees have interests	14,400	488
	<u>14,400</u>	<u>488</u>

SAFE HAVEN LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

17 Related party transactions

(Continued)

Entities in which the Trustees have an interest include:

1. Chock Professional Services Limited - a company controlled by two of the trustees. This company paid disbursements of £1,408 on behalf of the charity in the current year (2021: £1,820). The charity owed the company £nil (2021: £488) at the year end.

2. R2B H - a company controlled by N Markham. This company was paid consultancy fees of £nil by the charity in the current year (2021: £54,829).

3. Chesterman Consultants Ltd - a company controlled by E Chesterman. This company was paid consultancy fees of £41,940 by the Charity in the current year (2021: £21,000). The balance owed to the company at the year end was £14,400 (2021: £nil).

18 Analysis of changes in net funds/(debt)

	At 1 February 2021 £	Cash flows £	At 31 January 2022 £
Cash at bank and in hand	8,194,576	17,650,580	25,845,156
Loans falling due after more than one year	(24,000,000)	24,000,000	-
	<u>(15,805,424)</u>	<u>41,650,580</u>	<u>25,845,156</u>

19 Cash generated from operations

	2022 £	2021 £
Surplus/(deficit) for the year	(624,071)	249,558
Adjustments for:		
Adjustment to revaluation reserve not cash	(13,142,965)	(6,425)
Gain on disposal of properties	12,422,264	-
Depreciation and impairment of tangible fixed assets	651	380
Movements in working capital:		
Decrease/(increase) in debtors	978,251	(296,272)
(Decrease)/increase in creditors	(50,948)	41,669
Cash absorbed by operations	<u>(416,818)</u>	<u>(11,090)</u>