Isleworth & Hounslow Charity Limited
Financial Statements
Year Ended 31 December 2021

Homes England registration number: 4675

Company registration number: 05577965

Charity registration number: 1112467

Isleworth & Hounslow Charity Limited

Financial Statements

Year Ended 31 December 2021

Contents

	Page
Charity Information	1
Trustees' Report	2 – 6
Independent Auditor's Report	7 – 9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Reserves	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 -25

Isleworth & Hounslow Charity Limited

Charity Information

Year Ended 31 December 2021

Trustees and Directors	Mr R Bartholomew – Chair Mr D Woods – Vice-Chair Ms H Davidson – Treasurer Ms A Carroll Mr P G Dodkins Mrs L Green Councillor T Louki Mr C S Lucy (Appointed 31 March 2022) Rev D Maclure Ms S Sylvester Dr J Tippins Mr P Turner Rev A Walton (Resigned 6 March 2022)
Secretary and General Manager	Mr A Brooks
Registered office and place of business	The Office Tolson House Parthenia Drive Isleworth TW7 6GT
Auditor	Azets Audit Services Gladstone House 77 – 79 High Street Egham Surrey TW20 9HY
Bankers	Barclays Bank PLC 210 High Street Hounslow TW3 1DL

Isleworth & Hounslow Charity Limited

Trustees' Report

Year Ended 31 December 2021

The Trustees (who are also the directors of the company for the purposes of the Companies Act) of Isleworth & Hounslow Charity Limited ("the Charity") present their report, and the audited financial statements of the Charity for the year ended 31 December 2021.

Members of the board
The Trustees who have served during the year were as follows:

Mr R Bartholomew – Chair
Mr D Woods – Vice-Chair
Ms H Davidson – Treasurer
Ms A Carroll
Mr P G Dodkins
Mrs L Green
Councillor T Louki
Mr C S Lucy (appointed 31 March 2022)
Rev D Maclure
Mr A McKendry (resigned on 27 May 2021)
Ms S Sylvester
Dr J Tippins
Mr P Turner
Rev A Walton (Resigned 6 March 2022)

In 2017 the Government introduced new regulations requiring a limit upon Local Authority Influence of Registered Providers of Social Housing: The Regulation of Social Housing (Influence of Local Authorities) (England) Regulations 2017. As a result, in early 2018 the Charity agreed with Hounslow Council the removal of all their nomination rights to the Board. This did not affect any actual appointments.

Review of the business and business model
The Trustees consider the performance of the Charity, in providing homes for those of modest income, to be satisfactory and have made special efforts to ensure the provision of support for those of their residents who sometimes face difficult circumstances. A programme of major building work at Raybell Court is ongoing and was postponed at Ingrams. The grant-giving budget remained at £30,000.

Objectives and strategies for achieving those objectives
The Charity's main objects comprise the provision of affordable housing in cases of need. It is a registered charity (Charity Number: 1112467) and also a company limited by guarantee (Company Number: 05577965). The Charity is also a member of The Almshouse Association (Number 524) and is registered with Homes England (Number 4675) and is a Registered Provider of Social Housing.

It provides residential accommodation in 80 units, collecting maintenance and heating contributions from residents and maintaining its stock of affordable housing in good repair. It makes charitable donations to individuals in need and other charitable organisations supporting people in need in the London Borough of Hounslow.

Principal risks and uncertainties
The key risks that may prevent the Charity from achieving its objectives are considered and reviewed periodically by the General Manager. The likelihood and impact of risks is assessed and plans are put in place to mitigate those risks considered to be the most likely.

Principal risks and uncertainties (continued)
The key risks are:

- trustees/staff engage in fraudulent activity;
- that the Charity has gaps in its health and safety practices;
- the Charity is insufficiently insured;
- the Charity is not well governed;
- major operational failure; and
- failure to comply with regulations.

Main trends and factors underlying the development, performance and position of the Charity
The main trends are year-on-year reductions in public sector spending and a continued demand for the Charity's accommodation. The Charity has been well-governed with continued high attendance at meetings and formal review of a variety of policies.

Impact of Covid-19 on the Charity's operations
Following the lockdown due to Covid-19 and the continuing environment, the Charity has had to permanently flex its approach as "business as usual". It has, and will continue to support residents to check on their wellbeing and needs by contacting each Beneficiary twice per week by telephone and other electronic means and ensuring repairs continue as normal at residents properties and the Charity's sites. Staff are also attending the office for administrative purposes, on site contact for contractors and visiting residents, safely, for emergency and urgent matters. Asset management and the finances of the Charity have not been disrupted. The Charity's staff have continued to be resilient, adapt and adopt a regime of flexible remote working, and have ensured minimal disruption to theCharity's operations.

The trustees are confident that the Charity is financially resilient enough to weather the current situation and resume more normal operations when it is safe and appropriate to do so.

Analysis using financial and non-financial key performance indicators
The financial statements show an operating surplus for the year of £196,778 (2020: surplus £150,482). The Trustees consider this to be a satisfactory outcome.

During the year, the Charity's quoted investments have risen in value by 14.5% (2020: 5% increase). As a result of the operating surplus and increase in the value of investments, the overall surplus for the year was £1,229,050 (2020 - surplus £464,707). The Charity's funds at the year-end were £13,156,321 (2020 - £11,927,271).

Future prospects and developments
The Charity refreshed its 5-year strategy in 2018, with the main objective being to increase the amount of accommodation offered to more than 100 units by 2023. This 5-year strategy also outlines a updated asset management policy which ensures that The Charity's commitment to maintaining the existing properties to the highest standards possible is sustained.

IHC is in formal discussions to amalgamate CPC, by way of appointing IHC to become the sole corporate trustee and member and current expectations are that this would hope to be in place by end of 2022. As an interim, IHC is providing support by the provision of the services of the General Manger, Alan Brooks, to help faciliatate the transition.

Assessment of how the Charity is achieving value for money
The Charity approach to Value for Money is to ensure that we continue to provide affordable housing. The properties are maintained and contribution levels are kept below the cap enforced by the Regulator of Social Housing.

Charitable donations are made to residents of the London Borough of Hounslow after an assessment by the Trustees to ensure relief is provided to those who need it.

The following are Value for Money metrics as required by the Value for Money Standard issued by the Regulator of Social Housing:

Metric	2021 value	2020 value
Reinvestment	1.24%	0.20%
New supply (Social housing units)	0%	0%
New supply (Non-social housing units)	0%	0%
Gearing	(5.94%)	(2.44%)
EBITDA MRI interest cover	1,819%	1,645%
Headline social housing cost	£2,330	£1,786
Operating margin (Social housing lettings)	42.28%	39.54%
Operating margin (Overall)	27.46%	21.17%
Return on capital employed	1.27%	1.05%

Assessment of compliance with the Governance and Financial Viability Standard
We are pleased to report that the Charity is meeting the Governance and Financial Viability Standard.

Reserves Policy
The Trustees have considered their policy regarding Reserves. The Charity's main activity has been the provision of affordable housing in cases of need. It is a Charity of Social Housing and continues to be regulated by the Regulator of Social Housing.

It continues to fulfil the functions of a Registered Provider of Social Housing and, as such, maintains specific other designated reserves for cyclical maintenance and extraordinary repairs and annual transfers are made to such reserves in line with recommendations of the Regulator of Social Housing. Transfers back from these reserves are then made to match expenditure charged in the Income and Expenditure Account.

Monies and quoted investments from the John Fielder Haden Trust were transferred into the Charity during 2012 and are classified as Restricted Funds.

The Charity also maintains revenue reserves. In order to continue and expand its main activities, in 2022 (subject to COVID-19) the Charity will spend substantial sums, particularly on maintaining or improving its housing stock. It does not undertake fund raising activities and therefore, to provide sufficient sums to meet future expenditure, its policy is to maintain high levels of revenue reserves generated from reinvestment of annual surpluses from regular revenues. Covid influenced the Reserves calculation, as the planned expenditure may be postponed/delayed due to variants of Covid. We expect there to be minimal disruption from 2022.

Finally, revaluation reserves are maintained in accordance with generally accepted accounting principles to reflect the difference between the market value and book value of investments and housing property. When such assets are realised to generate funds for future investment, amounts will be transferred from these reserves to revenue reserves. The value of each reserve as at 31 December 2021 is disclosed on page 12.

The Charity's target level of free reserves is three months of expenditure, approximately £121,000 (2020 - £89,000) plus a budgeted amount being held for identified capital projects, totalling £93,000 (2020 - £200,000). At the year end, the Charity held free reserves of £646,655, which is above the target level.

Code of governance
The Charity is constituted as a company limited by guarantee, and is therefore governed by a Memorandum and Articles of Association. It was incorporated on 29 September 2005 and, in October 2006; it acquired the assets of Isleworth & Hounslow Charity, and has taken over its activities. In January 2008 the Charity took over the Parthenia Hayburn Trust (previously managed by London Borough of Hounslow).

The Charity is managed by its Board of Trustees, and had a staff team of two during the year. They consisted of the General Manager and the Almshouse Officer. The General Manager is responsible for the day-to-day running of the Charity and reporting directly to the Board of Trustees. He is also responsible for the development and governance of the Charity, the administration of the Charity and housing management, ensuring that the Charity's buildings are maintained and invested in and oversees day-to-day repairs. The Almshouse Officer is responsible for regularly visiting all the residents who live in the Charity's properties, assisting in dealing with particular issues that may arise, and carrying out general duties in the office.

Two ex-officio Trustees – present incumbents of the benifices of All Saints' Church Isleworth and St John the Baptist Church Isleworth – have unlimited terms of appointment. All other appointed Trustees also serve a term of four years. New Trustees undergo an induction with the General Manager which would comprise details of organisational roles and responsibilities as well as legal roles and responsibilities.

Reference to Trustees' annual review of internal control
The Trustees are responsible for the control of financial affairs of the Charity and its internal financial control. Day to day responsibilities for administering financial functions are vested in the General Manager and he reports regularly to the Trustees on financial matters. A financial risk assessment has been carried out by the Trustees, who are satisfied there are sufficient financial controls in place to minimise any future potential risk to the assets of the Charity. Financial procedures were reviewed and amended in September 2017. Current ongoing activities of the Charity are funded from existing current incoming resources, mostly in the form of contributions from existing housing properties and investment income. Where new projects are undertaken, funding consideration is given to each project individually. The Charity has reserves, but as a provider of social housing, it will also seek grant funding and loan funding as necessary and where appropriate.

Public benefit statement
The Trustees have given due consideration to the Charity Commission published guidance on the public benefit requirement. They will continue to relieve the need of people in necessitous circumstances by the provision of accommodation and the relief in need, hardship or distress of other people resident in the London Borough of Hounslow.

Policy for setting key management remuneration
The Charity has a Human Resources Committee whose responsibility is to review and agree remuneration levels for personnel. The Committee's decisions are subsequently submitted to the board of Trustees for information.

Financial instruments
The key financial instruments included in the financial statements are a portfolio of listed investments held at fair value and loans secured on certain housing properties.

Investment strategy and performance
The Charity's investments are managed by multiple Investment and Fund Managers and are spread across a wide range of investment products, to diversify risk and maintain a well-balanced portfolio. Separate funds are held by CCLA, M&G and Ruffer.

The Charity has benchmarked investment performance in the year against a number of other providers and was pleased with the performance achieved. Due to the impact of Covid on financial markets, investments went through different stages of performance throughout the year to finish up better in the last quarter. This was in line with our expectations of the Charity's three portfolios.

However, since 2021, ongoing future investment performance will be closely monitored and assessed as a result of the current uncertain geopolitical and economic factors, and expectations are that future performance will remain fluid in nature.

Trustees' responsibilities

The Trustees are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company and charity law and registered social housing legislation require 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 its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Report, we have taken advantage of the small company provisions in the Companies Act 2006 to not include a Strategic Report, in our capacity as company directors.

Approved on behalf of the Board on 28 July 2022 by:

Signature R.J. Bartholomew
R Bartholomew, Trustee Director

Signature
P Turner, Trustee Director

Isleworth & Hounslow Charity Limited

Independent Auditor's Report

Year Ended 31 December 2021

Opinion

We have audited the financial statements of Isleworth & Hounslow Charity Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income (including the Income and Expenditure account), the Balance Sheet, the Statement of Changes in Reseves and 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 December 2021 and of its suplus 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 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 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 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.

Opinion 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.

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 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; 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 set out on pages 5 and 6, 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 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.

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 auditors report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor and Chartered Accountants
Gladstone House
77 – 79 High Street
Egham
Surrey
TW20 9HY

28 July 2022

Isleworth & Hounslow Charity Limited

Statement of Comprehensive Income (Including Income and Expenditure Account)

Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	2,3	**716,563**	710,956
Cost of sales		**352,036**	375,002
Gross surplus		**364,527**	335,954
Administrative expenditure		**167,749**	185,472
Operating surplus		**196,778**	150,482
Income from fixed asset investments		**13,673**	11,957
Interest receivable and similar income	5	**24**	128
Interest payable and similar charges	5	**(13,071)**	(15,611)
Movement in fair value of financial instruments	6	**1,031,646**	317,751
Surplus on ordinary activities for the year before tax		**1,229,050**	464,707
Tax on surplus on ordinary activities	9	**-**	-
Surplus for the year after tax		**1,229,050**	464,707
Total comprehensive income for the year		**1,229,050**	464,707

On behalf of the Board

R. J. Bartholomew.

R Bartholomew, Trustee Director

P Turner, Trustee Director

28 July 2022

Isleworth & Hounslow Charity Limited

Balance sheet

Year Ended 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	10,11	**6,978,707**	7,054,971
Investments	12	**8,141,719**	7,096,400
		15,120,426	14,151,371
Current assets			
Debtors	13	**25,534**	18,802
Cash at bank and in hand		**495,954**	311,803
		521,488	330,605
Creditors: amounts falling due within one year	14	**99,540**	115,773
Net current assets		**421,948**	214,832
Total assets less current liabilities		**15,542,374**	14,366,203
Creditors: amounts falling due after more than one year	15	**2,386,053**	2,438,932
Total net assets		**13,156,321**	11,927,271
Reserves			
Income and expenditure reserve	17	**6,435,859**	6,235,935
Revaluation reserve	17	**6,643,018**	5,625,027
Restricted reserve	17	**77,444**	66,309
Total reserves		**13,156,321**	11,927,271

The financial statements were approved and authorised for issue by the Trustees on 28 July 2022

Signed on behalf of the board

R Bartholomew, Trustee Director

P Turner, Trustee Director

The accompanying notes form an integral part of these financial statements.
Company Registration Number: 05577965

Isleworth & Hounslow Charity Limited

Statement of Changes in Reserves

Year Ended 31 December 2021

	Income and expenditure reserve £	Revaluation reserve £	Restricted reserve £	Total £
At 1 January 2021	6,235,935	5,625,027	66,309	**11,927,271**
Surplus for the year	1,229,050	-	-	**1,229,050**
Total comprehensive income	7,464,985	5,625,027	66,309	**13,156,321**
Transfers (note 17)	(1,029,126)	1,017,991	11,135	**-**
At 31 December 2021	6,435,859	6,643,018	77,444	**13,156,321**
At 1 January 2020	6,086,279	5,314,528	61,757	**11,462,564**
Surplus for the year	464,707	-	-	**464,707**
Total comprehensive income	6,550,986	5,314,528	61,757	**11,927,271**
Transfers (note 17)	(315,051)	310,499	4,552	**-**
At 31 December 2020	6,235,935	5,625,027	66,309	**11,927,271**

Isleworth & Hounslow Charity Limited

Statement of Cash Flows

Year Ended 31 December 2021

	Note	2021	2020
		£	£
Cash flow from operating activities	18	**329,397**	137,163
Net cash flow from operating activities		**329,397**	137,163
Cash flow from investing activities			
Payments to acquire tangible fixed assets		**(79,410)**	(14,348)
Payments to acquire fixed assets investments		**(13,673)**	(11,962)
Interest received		**24**	128
Net cash flow from investing activities		**(93,059)**	(26,182)
Cash flow from financing activities			
Repayment of long term loans		**(39,116)**	(36,560)
Interest paid		**(13,071)**	(15,611)
Net cash flow from financing activities		**(52,187)**	(52,171)
Net increase in cash and cash equivalents		**184,151**	58,810
Cash and cash equivalents at 1 January 2021		**311,803**	252,993
Cash and cash equivalents at 31 December 2021		**495,954**	311,803
Cash and cash equivalents consists of:			
Cash at bank and in hand		**495,954**	311,803
Cash and cash equivalents at 31 December 2021		**495,954**	311,803

1 Summary of significant accounting policies

(a) General information and basis of preparation

Isleworth & Hounslow Charity Limited ("the Charity") is a charitable company, limited by guarantee, incorporated in England and Wales and a private charity of social housing in the United Kingdom. The address of the registered office is given on page 1 of these financial statements. The nature of the Charity's operations and principal activities are to provide affordable housing in cases of need.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice for Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Charity.

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

(b) Going concern

The financial statements have been prepared on the 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 the 12 months from authorising the financial statements.

(c) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land	not depreciated
Housing properties - structure	1% - 1.5%
Housing properties – other components	2% - 10%
Housing properties – furniture, fixtures and fittings	25%
Office equipment	25%

Housing properties under construction are not depreciated until they are in use.

(c) Tangible fixed assets (continued)

Major components of housing properties, such as lifts and warden alarm systems, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in housing properties.

The useful economic lives of all tangible fixed assets are reviewed annually.

(d) Investment properties

The Charity owns land for investment from which rental income is derived. The land was originally donated and is carried at fair value with any revaluation gains recognised within the Statement of Comprehensive Income.

No depreciation or amortisation is provided in respect of freehold investment properties.

(e) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

(f) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably.

(g) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

(h) Impairment

Housing properties are assessed annually for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised as expenditure in Statement of Comprehensive Income. Where an asset is currently deemed not to be providing service potential to the Charity, its recoverable amount is its fair value less costs to sell.

Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

(i) Provisions

Provisions are recognised when the Charity has an obligation at the Balance Sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

(j) Value Added Tax

Value Added Tax is not recoverable by the Charity, and as such is included in the relevant costs in the Statement of Comprehensive Income.

(k) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (Local Authorities) and Homes England.

(l) Government grants

Government grants, from Local Authorities are received in respect of capital expenditure. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

(m) Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Employer contributions are made to personal pension schemes for the two employees of the Charity, and these are charged in the Statement of Comprehensive Income as they accrue.

(n) Restricted Reserves

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. During 2012 the Charity acquired the John Fielder Haden Trust and this comprises the only restricted fund. This fund may be used to benefit residents of Isleworth, who are in need and who are sick. Revenue and expenditure cannot be directly set against restricted reserves but is taken through the Statement of Comprehensive Income and then a transfer to restricted reserves is made as appropriate.

(o) Judgements and key sources of estimation uncertainty

The following are the significant management judgements made in applying the accounting policies of the Charity that have the most significant effect on the financial statements:

Housing properties in tangible fixed assets are valued at deemed cost as at 1 January 2014.

Investment properties are carried at fair value. The Trustees have used valuation techniques such as income yield to determine the carrying value of the investment properties; The approach to testing impairment of social housing portfolio is set out in section (g) above.

2 Social housing turnover and costs

	2021	2020
	£	£
Income		
Maintenance contributions receivable	**544,650**	560,485
Service charges receivable	**65,210**	59,790
	609,860	620,275
Less: Operating expenditure		
Routine maintenance	**106,973**	119,388
Major works	**-**	10,242
Depreciation of housing properties	**153,306**	151,783
Other costs	**91,757**	93,589
Operating and net surplus from social housing activities	**257,824**	245,273
Void losses	**4,928**	13,334
Amortised government grants	**35,247**	35,247

3 Turnover

	2021	2020
	£	£
Contributions (Housing accommodation)	**640,179**	642,188
Ground rents (non-housing accommodation)	**13,977**	13,823
Rental income from non-social housing property	**54,825**	54,825
Donations and other income	**7,582**	120
	716,563	710,956

4 Accommodation owned and in management

The Charity owns 80 units (2020: 80) that are used to provide affordable housing in cases of need.

Properties managed by agents

The Charity owns 1 (2020: 1) property comprising 13 units (2020: 13) that is managed on its behalf, under a leasing agreement, by Notting Hill Genesis.

5 Interest and other finance income and charges

a) Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	**24**	128

b) Interest payable and similar charges

	2021 £	2020 £
Bank and other loans	**13,071**	15,611

6 Surplus/(deficit) on ordinary activities

Surplus/(deficit) on ordinary activities is stated after charging / (crediting):

	2021 £	2020 £
Auditor's remuneration (including expenses and benefits in kind)	**10,200**	8,910
Auditor's remuneration (including expenses and benefits in kind) for non-audit services	**20,580**	20,640
Depreciation of tangible fixed assets	**155,674**	154,622
Contributions to defined contribution pension schemes	**7,170**	9,495
Government grants	**(35,247)**	(35,247)
Surplus on fair value movement of investments	**(1,031,646)**	(317,751)

7 Board and key management personnel remuneration

The Trustees consider themselves and the General Manager to be key management personnel.

The total remuneration for key management personnel including employer's pension contributions amounted to £68,692 (2020 - £79,651). No remuneration was received by trustees or non-executive board members.

During the year there was a Trustees' annual dinner and a meeting costing £1,134 (2020 - £nil) and £169 (2020 - £nil) respectively and no reimbursed travel expenses on behalf of the Charity (2020 - £nil).

8 Staff costs

The average monthly number of employees, including members of the executive team, during the year was as follows:

	2021 Number	2020 Number
Management and administration	**1**	1
Housing, support and care	**1**	1
	2	2

The average number of employees, including members of the management team, calculated on a full time equivalent was 2 employees (2020 – 2) on the basis of a 35 hour week.

The aggregate remuneration of such employees was as follows:

	2021 £	2020 £
Wages and salaries	**89,626**	117,409
Social security	**5,932**	9,662
Other pension costs	**7,170**	9,495
	102,728	136,566

There were no employees who received more than £60,000 as their employment package.

The Registered Provider operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £7,170 (2020 - £9,495). Employer contributions of 8% are made on behalf of all employees.

No special pensions arrangements have been made for the General Manager.

9 Tax

Isleworth & Hounslow Charity Limited is a registered Charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the various exemptions available to registered charities.

10 Tangible fixed assets – housing properties

	Housing properties for letting £
Cost:	
At 1 January 2021	7,785,087
Additions	79,410
At 31 December 2021	**7,864,497**
Depreciation:	
At 1 January 2021	1,283,775
Charge for year	152,630
At 31 December 2021	**1,436,405**
Net book value:	
At 31 December 2021	**6,428,092**
At 31 December 2020	6,501,312

The net book value of land and buildings comprised:

	2021 £	2020 £
Land and buildings:		
Freehold	**6,428,092**	6,501,312

Social housing properties with a net book value of £4,146,442 (2020 - £4,141,150) have been pledged as security for liabilities of the Charity. These assets have restricted title.

11 Tangible fixed assets – other

	Investment properties	Fixtures and fittings	Computer and office equipment	Total
	£	£	£	£
Cost or valuation:				
At 1 January 2021	548,000	24,029	16,604	588,633
Revaluation	-	-	-	-
At 31 December 2021	**548,000**	**24,029**	**16,604**	**588,633**
Depreciation:				
At 1 January 2021	-	23,106	11,868	34,974
Charge for the year	-	676	2,368	3,044
At 31 December 2021	**-**	**23,782**	**14,236**	**38,018**
Carrying amount:				
At 31 December 2021	**548,000**	**247**	**2,368**	**550,615**
At 31 December 2020	548,000	923	4,736	553,659

The net book value of land and buildings comprised:

	2021	2020
	£	£
Investment properties:		
Freehold	**548,000**	548,000

Tangible fixed assets held at valuation

Investment properties

The land included in Investment properties was indepentently valued at £520,000 in May 2016 on the basis of market value for existing use by Perry Hill Chartered Surveyors. As at 31 December 2021, the Trustees consider the appropriate valuation to be £548,000. The land was originally donated.

Details of leasing arrangements relating to investment properties are provided in note 16.

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	7,096,400
Additions	13,673
Revaluation	1,031,646
At 31 December 2021	**8,141,719**
Impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount:	
At 31 December 2021	**8,141,719**
At 31 December 2020	7,096,400

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the Balance Sheet date.

13 Debtors

	2021 £	2020 £
Trade debtors (gross social housing rent arrears)	**10,500**	9,712
Other debtors	**15,034**	9,090
	25,534	18,802

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank and other loans	**17,634**	39,118
Rents paid in advance	**6,479**	3,478
Government grants	**35,247**	35,247
Accruals and deferred income	**40,180**	37,930
	99,540	115,773

15 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank and other loans	**96,481**	114,113
Government grants	**2,289,572**	2,324,819
	2,386,053	2,438,932

Other loans totalling £114,115 (2020 - £153,231) are secured by the properties in respect of which monies were advanced.

Interest on the loan to redevelop Tolson House, advanced by Charity Bank Limited, is being charged at 6.5%. Capital repayments on this loan are being made monthly and finish in May 2022. Interest on the Raybell Court loan, advanced by Orchardbrook Limited, is being charged at 10.875%. Capital repayments on this loan are being made biannually.

Other loans include aggregate amounts of £89,869 (2020 - £91,481) which fall due after five years and which are payable by instalments.

16 Leases

Operating leases - lessor

Operating leases primarily relate to a lease taken on Farnells by Notting Hill Genesis and a lease on the Hounslow Heath site, held as an investment property.

Total future minimum lease income receivable under non-cancellable operating leases is as follows:

	2021 £	2020 £
Not later than one year	**68,803**	68,648
Later than one and not later than five years	**275,212**	274,592
Later than five years	**338,449**	406,891
	682,464	750,131

17 Reserves

a) Income and expenditure reserve

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments. A transfer is made from the income and expenditure reserve to the revaluation reserve and the restricted reserve for the market revaluation gains or losses.

b) Revaluation reserve

The revaluation reserve represents the valuation in 1982 of the land and buildings acquired from other Charities and the cumulative effect of market revaluations of the quoted investments.

c) Restricted

Restricted funds represent monies and quoted investments transferred from the John Fielder Haden Trust. and this comprises the only restricted fund. This fund may be used to benefit residents of Isleworth, who are in need and who are sick.

18 Reconciliation of operating surplus to cash flow from operating activities

	2021 £	2020 £
Surplus for the year	**1,229,050**	464,707
Interest payable	**13,071**	15,611
Interest received	**(24)**	(128)
Depreciation and impairment of tangible fixed assets	**155,674**	154,621
Gains on investments	**(1,031,646)**	(317,751)
(Increase) / decrease in trade and other debtors	**(6,732)**	14,479
Increase / (decrease) in trade and other creditors	**5,251**	(159,129)
Government grants utilised in the year	**(35,247)**	(35,247)
Net cash flow from operating activities	**329,397**	137,163

19 Analysis of change in net funds/(debt)

	2020 £	Cash flows £	2021 £
Cash at bank and in hand	311,803	184,151	**495,954**
Debt due within one year	(39,118)	21,484	**(17,634)**
Debt due after more than one year	(114,113)	17,632	**(96,481)**
	158,572	223,267	**381,839**

20 Related party transactions

There were no related party transactions in the year to 31 December 2021 (2020 - £2,250).

21 Financial instruments

The carrying amounts of Charity's financial instruments are as follows:

	2021 £	2020 £
Financial assets		
Measured at fair value through the statement of comprehensive income:		
- Investment property (note 11)	**548,000**	548,000
- Fixed asset listed investments (note 12)	**8,141,719**	7,096,400
	8,689,719	7,644,400
Financial liabilities		
Measured at amortised cost		
- Other loans (notes 14-15)	**114,115**	153,231

The income, expenses, net gains and net losses attributable the Charity's financial instruments are summarised as follows:

	2021 £	2020 £
Income and expense		
Financial assets measured at fair value through the statement of comprehensive income	**68,522**	66,910
Financial liabilities measured at amortised cost	**(13,071)**	(15,611)
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through the statement of comprehensive income	**1,031,646**	317,751

22 Events after the balance sheet date

The Charity is in formal discussions with Chiswick Parochial Charity ("CPC") , with a plan to integrate, simplify, streamline and harmonise its processes to ensure CPC 's future viability. The preferred route is for CPC to appoint IHC to become the sole corporate trustee and member and current timeline is for this to be in place by end of 2022. In the interim, IHC has supported CPC by provision of support from Alan Brooks, General Manager, to manage the operational and administrative transition.

With the addition of CPC, this allows IHC to meet its 5-year strategy and strengthens IHC footprint and aligns its strategy of offering 100+ units. The goal is to amalgamate CPC into the framework structure and governance of IHC, whilst also providing the highest possible standards and maintain value for money services in the current uncertain economic climate.