

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2023
for
West Itchen Community Trust Limited

Bennewith 2018 Limited (Statutory Auditors)
Upper Ground Floor
18 Farnham Road
Guildford
Surrey
GU1 4XA

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for the Year Ended 31 March 2023

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Report of the Trustees
for the Year Ended 31 March 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

West Itchen Community Trust Limited was registered as a charity on 28 July 2009. It was incorporated on 16 December 2002 and is governed by Memorandum and Articles of Association.

OBJECTIVES AND ACTIVITIES

Objectives and aims

WEST ITCHEN COMMUNITY TRUST MISSION STATEMENT

To be an independent Trust to continue with the regeneration of the Southampton area, to champion its needs and to assist the aspirations of the people living and working there.

To develop the assets of the Trust and to assist other organisations in the area bid for funds.

Objectives:

The objects of the Charity are to promote any charitable purpose for the benefit principally of people living in Southampton, and its environs, including:

- * The relief of poverty and the improvement of the conditions of life for those experiencing social and economic disadvantage;
- * The preservation, conservation and improvement of the environment;
- * Developing the capacity and skills of the members of the socially and economically disadvantaged community of Southampton in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- * The promotion of religious and racial harmony, and of equality and diversity.

Public benefit

The objectives above set out our main activities and the people the company aims to help. All of our charitable activities focus on these objectives and are undertaken to further our charitable purposes for the public benefit.

Report of the Trustees
for the Year Ended 31 March 2023

STRATEGIC REPORT

Achievement and performance

West Itchen Community Trust endeavours to achieve its mission by offering a series of services that are supported through income generation activity; this is either commercially through its property portfolio or by attracting specific funding. In planning the activities undertaken for the year ahead, the Trust consults with its membership and offers an opportunity to vote on numerous community concerns that can be addressed in line with the mission statement and objectives. Those priorities are then adopted at the AGM.

The Trust employs 3 members of staff and some contracted agents to manage and deliver the services and deal with the day to day operational issues.

Main delivery against the charitable objectives is through the following:

Community Support

Although WICT are not currently in receipt of grant funding for community support, through our community buildings, 7 of which are freehold owned by WICT, we do not charge existing charities and community group to occupy those buildings. Most have regular users that support the groups within occupation. In our own head office numerous community groups regularly use the facilities. Activities offered at the centres included, homework clubs, AA and health and mental well-being projects and a gardening group.

Summary

West Itchen Community Trust is striving to develop its income stream through sound investment in order to respond to increasing community needs, while the sector and our communities face significant austerity measures, increasing inflation and reduced income. The impact of Covid and the lockdowns impacted significantly on our income streams, numerous charities and businesses failing meant reduced income throughout the year. During this period we have been trying to re-establish baseline income from our commercial assets, including the Acorn Business Park, offering 30 light industrial business units to help attract and support small to medium businesses to encourage employment opportunities and business growth. Income had fallen dramatically and the Trust and its staff were tasked with rebuilding the portfolio.

While the Trust continues to rebuild its income as a result of Covid, it has been further impacted by spiralling interest rates against borrowing, that have cost the Trust an additional £31K in 2022-23 and rising energy costs that have increased by £19.5k to expenditure compared to the year before.

Exceptional Item

During continual financial procedures the trustees were made aware of a serious event which required immediate notification to the Charity Commission. Fraud had been detected covering a period of four months from January 2022. The amounts taken from the charity were £560: 2022 and £1,206: 2023. Full disclosure and co-operation with the Charity Commission was followed and the Charity Commission agreed that the correct procedures had been followed both during and after the event. The person involved co-operated and has paid back all monies, they were permitted to stay in post due to extenuating personal circumstances which contributed to the situation. Measures were in place to avoid this situation but unfortunately due to Covid and staffing levels they were deemed not robust enough.

A full VAT audit was undertaken by HMRC during this year for the previous six years of transactions and concluded with no adjustments or recommendations to be made. This has reassured the Trustees of their financial procedures.

Report of the Trustees
for the Year Ended 31 March 2023

STRATEGIC REPORT

Financial review

Reserves policy

The policy of the charity is to hold 3 months of overheads' expenditure in unrestricted free reserves, where possible. However, in recent years our free reserves have been invested into developing the property portfolio and we are seeking to rebuild our reserves in future years.

Free reserves at 31 March 2023 were £2,548,124 (2022: £2,596,780).

A summary of the Charity's financial performance is shown on pages 10 and 11. The charity made a deficit for the year of £74,736. (2022: surplus of £2,274). The total reserves at the end of the year were £2,548,124 (2022: £2,622,860).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

West Itchen Community Trust uses a wide variety of methods to recruit Trustees. Some are recruited by word of mouth; or when the appropriate opportunity arises active community members or local business champions may be approached, nominations are invited at the Annual General Meeting if required and invitations are included within our newsletter. The Trustees feel it is important to have as diverse a board as possible and one which represents the community we serve, with the appropriate skills to meet the challenges.

Currently the board offers a wide range of business skills and voluntary sector experience, providing excellent support to the Chief Executive. Broadly, all day to day operational decisions are made by the Chief Executive and the team. At any time he may call on the particular expertise of individual trustees for guidance.

The Board concentrate on the strategic direction of the organisation. Often, the Chief Executive and the Chairman will talk with a prospective trustee and then they will be invited to attend board meetings to consider suitability. New board members are then co-opted to the board until full election at the following AGM. An induction process is in place to ensure the Trustees are equipped with the skills, knowledge and understanding of their responsibilities for governance.

Risk management

The trustees are satisfied that the major risks to which the charity is exposed, as identified by the trustees, are being reviewed, and systems are being established to mitigate those risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04617788 (England and Wales)

Registered Charity number

1130797

Registered office

Ropewalk

53 Derby Road

Southampton

SO14 0DJ

Report of the Trustees
for the Year Ended 31 March 2023

Trustees

N C Cato

H C Jackson

V M Scott

S Barnes-Andrews (resigned 21.1.24)

J Connelly (appointed 12.9.23)

Company Secretary

R A Harwood

Auditors

Bennewith 2018 Limited (Statutory Auditors)

Upper Ground Floor

18 Farnham Road

Guildford

Surrey

GU1 4XA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, auditors Bennewith 2018 Ltd, Bennewith 2018 Limited (Statutory Auditors) will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Trustees
for the Year Ended 31 March 2023

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27 March 2024 and signed on the board's behalf by:

N C Cato - Trustee

Report of the Independent Auditors to the Members of
West Itchen Community Trust Limited

Opinion

We have audited the financial statements of West Itchen Community Trust Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
West Itchen Community Trust Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Report of the Independent Auditors to the Members of
West Itchen Community Trust Limited

Our responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined the most significant are those that relate to FRS 102, the Charities SORP (FRS102), the Charities Act 2011 and the Companies Act 2006. We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.

We assessed the risks of material misstatement in respect of fraud as follows:

- * Enquiries were made of management and those charged with governance
- * We reviewed the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations
- * Analytical procedures were used to identify if there were any unusual or unexpected relationships
- * Discussions were held with management to identify any fraud risk factors of related party relationships and transactions

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

Enquiries were made of management and those charged with governance. We corroborated our enquiries through the review of Trustees' minutes and other papers provided. There was no contradictory evidence.

We reviewed and tested internal controls as part of our routine testing of transactions. We did not find any significant departures from internal control procedures.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach. We tested year end journals as well as journal entries throughout the year. There were no transactions identified outside the normal course of business.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud. We incorporated an element of unpredictability in the selection of the nature, timing, and extent of audit procedures.

Where transactions meeting risk criteria were identified, we carried out further work such as additional testing to source information.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
West Itchen Community Trust Limited

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A J Bennewith FCA, FCPA, FFA, FFTA, FIPA, DChA, FRSA (Senior Statutory Auditor)

for and on behalf of Bennewith 2018 Limited (Statutory Auditors)

Upper Ground Floor

18 Farnham Road

Guildford

Surrey

GU1 4XA

27 March 2024

Statement of Financial Activities
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	-	-	55,125
Charitable activities	4	-	-	-	21,274
Charitable activities		-	-	-	
Other trading activities	3	326,488	-	326,488	302,822
Other income		-	-	-	9,643
		<hr/>	<hr/>	<hr/>	<hr/>
Total		326,488	-	326,488	388,864
		<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE ON					
Raising funds	5	-	-	-	298
Charitable activities	6	-	-	-	32,684
Charitable activities		-	-	-	
Support Costs		21,693	-	21,693	23,119
Other	8	379,531	-	379,531	330,489
		<hr/>	<hr/>	<hr/>	<hr/>
Total		401,224	-	401,224	386,590
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)					
Transfers between funds	19	(74,736)	-	(74,736)	2,274
Other recognised gains/(losses)		26,080	(26,080)	-	-
Gains on revaluation of fixed assets		-	-	-	650,000
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(48,656)	(26,080)	(74,736)	652,274
RECONCILIATION OF FUNDS					
Total funds brought forward		2,596,780	26,080	2,622,860	1,970,586
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		2,548,124	-	2,548,124	2,622,860
		<hr/>	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

Balance Sheet
31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	13	794,687	-	794,687	805,485
Investment property	14	3,737,975	-	3,737,975	3,737,975
		<hr/>	<hr/>	<hr/>	<hr/>
		4,532,662	-	4,532,662	4,543,460
CURRENT ASSETS					
Debtors	15	96,025	-	96,025	46,672
Cash at bank		39,826	-	39,826	168,211
		<hr/>	<hr/>	<hr/>	<hr/>
		135,851	-	135,851	214,883
CREDITORS					
Amounts falling due within one year	16	(182,398)	-	(182,398)	(118,889)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		(46,547)	-	(46,547)	95,994
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,486,115	-	4,486,115	4,639,454
CREDITORS					
Amounts falling due after more than one year	17	(1,937,991)	-	(1,937,991)	(2,016,594)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		2,548,124	-	2,548,124	2,622,860
		<hr/>	<hr/>	<hr/>	<hr/>

The notes form part of these financial statements

Balance Sheet - continued
31 March 2023

FUNDS	19		
Unrestricted funds:			
General fund		1,643,460	1,692,115
Revaluation Reserve		904,664	904,665
		<hr/>	<hr/>
		2,548,124	2,596,780
		<hr/>	<hr/>
Restricted funds		-	26,080
		<hr/>	<hr/>
TOTAL FUNDS		2,548,124	2,622,860
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Trustees and authorised for issue on 27 March 2024 and were signed on its behalf by:

N C Cato - Trustee

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	(296,126)	(234,108)
Interest paid		(99,288)	(63,457)
Net cash used in operating activities		<u>(395,414)</u>	<u>(297,565)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(117)
Rental income from investment property		326,488	302,822
Net cash provided by investing activities		<u>326,488</u>	<u>302,705</u>
Cash flows from financing activities			
New loans in year		1,920,000	1,932,568
Loan repayments in year		(1,979,459)	(1,986,202)
Net cash used in financing activities		<u>(59,459)</u>	<u>(53,634)</u>
Change in cash and cash equivalents in the reporting period		<u>(128,385)</u>	<u>(48,494)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>168,211</u>	<u>216,705</u>
Cash and cash equivalents at the end of the reporting period		<u><u>39,826</u></u>	<u><u>168,211</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23 £	31.3.22 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(74,736)	2,274
Adjustments for:		
Depreciation charges	10,798	12,268
Interest paid	99,288	63,457
Rental income from investment property	(326,488)	(302,822)
Increase in debtors	(49,353)	(17,497)
Increase in creditors	44,365	8,212
	<hr/>	<hr/>
Net cash used in operations	<u>(296,126)</u>	<u>(234,108)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	168,211	(128,385)	39,826
	<hr/>	<hr/>	<hr/>
	168,211	(128,385)	39,826
	<hr/>	<hr/>	<hr/>
Debt			
Debts falling due within 1 year	(58,847)	310	(58,537)
Debts falling due after 1 year	(1,920,544)	59,149	(1,861,395)
	<hr/>	<hr/>	<hr/>
	(1,979,391)	59,459	(1,919,932)
	<hr/>	<hr/>	<hr/>
Total	<u>(1,811,180)</u>	<u>(68,926)</u>	<u>(1,880,106)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the Charities Act 2011 and the Companies Act 2006.

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

West Itchen Community Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, it is probable the income will be received, and the amount can be quantified with reasonable accuracy. Donations and other forms of voluntary income are recognised as income when receivable, except where they are incapable of financial measurement.

Income from investment is recognised when receivable and the amount can be measured reliably by the charity. Rental income from investment property leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the length of the lease and net of VAT.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs where required.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and Fittings - 25% reducing balance basis

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Computer Equipment - 33% reducing balance basis

The Trustees have a policy of obtaining a professional valuation once every three years for tangible fixed assets on a rolling basis.

Leasehold property is stated at cost or valuation less amortisation. Amortisation is provided at rates calculated to write off the cost or valuation of the leasehold, on a 2% straight line basis.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

The Company is a Registered Charity (number 1130797). All activities are undertaken to fulfil the primary objectives of the charity and are therefore exempt under Part 11 of the Corporation Tax Act 2010.

Fund accounting

The funds of the charity comprise:

Unrestricted general funds that are available for use at the discretion of the Board of Management in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific funds. The aim and use of each fund is set out in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company contributes to a defined contribution pension scheme, the NEST Workplace Pension Scheme, on behalf of its employees. Contributions payable to the pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Critical accounting estimates and judgments

In the application of the charity's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimate 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.

The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Grants	-	55,125
	<u> </u>	<u> </u>

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

	31.3.23	31.3.22
	£	£
Other grants	-	55,125
	<u> </u>	<u> </u>

3. OTHER TRADING ACTIVITIES

Income earned from other trading activities.

	31.3.23	31.3.22
	£	£
Property Rental Income	332,238	302,822
	<u> </u>	<u> </u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.23	31.3.22
	£	£
Income from charitable activities- PHT Northam	-	27,125
Income from charitable activities- Covid Restart Grant	-	28,000
	<u> </u>	<u> </u>
	-	55,125
	<u> </u>	<u> </u>

5. RAISING FUNDS

Raising donations and legacies

	31.3.23	31.3.22
	£	£
Subscriptions	-	298
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

6. CHARITABLE ACTIVITIES COSTS

Support
costs (see
note 7)
£
21,693

7. SUPPORT COSTS

	31.3.23 £	31.3.22 £
Management costs		
Bookkeeping and accountancy fees	15,601	12,735
Fundraising Charitable Expenses- Fitness Champions	-	150
	<hr/>	<hr/>
	13,601	12,885
Governance costs		
Audit fees	5,920	4,500
Legal fees	172	5,734
	<hr/>	<hr/>
	9,172	10,234
Total support costs	<hr/>	<hr/>
	21,693	23,119

Support costs are those costs which do not relate directly to a single activity. These may include costs of administration and governance costs. Support costs are allocated between activities on an appropriate basis.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

8. OTHER

Other trading activities

	31.3.23	31.3.22
	£	£
Other trading activities- Property Operations & other resources	235,752	203,697
Other trading activities: wages not allocated to funds	91,038	126,790
	<u>326,790</u>	<u>330,487</u>

Charitable activities by fund type

	31.3.23	31.3.22
	£	£
PHT- Northam	-	16,831
PHT- St. Mary's	-	15,853
	<u>-</u>	<u>32,684</u>

Charitable activities by activity type

	31.3.23	31.3.22
	£	£
PHT- Northam	-	16,831
PHT- St Mary's	-	15,853
	<u>-</u>	<u>32,684</u>

9. NET INCOME/(EXPENDITURE)

This is stated after charging/(crediting):

	31.3.23	31.3.22
	£	£
Furlough grants	-	(9,643)
Depreciation of owned fixed assets	4,253	5,671
Depreciation of assets held under hire purchase agreements	105	157
Depreciation of leasehold properties	6,440	6,440
Hire of plant and machinery	6,695	4,197
Interest payable on bank loans	99,112	63,457
Operating lease payments	8,700	8,700
Bookkeeping fees	13,601	12,735
Auditors' fees-for audit services	5,920	4,500
Auditors' fees- accountancy services	2,000	-

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

11. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	85,640	130,201
Social security costs	4,511	9,379
Other pension costs	887	412
	<u>91,038</u>	<u>139,992</u>

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

	31.3.23	31.3.22
Central Support Staff	<u>2</u>	<u>3</u>

No employee received emoluments exceeding £60,000 in 2023 or 2022.

The Executive Management Team comprises a CEO and a deputy CEO, but the latter left this employment during the year. The total employee benefits of the key management personnel (including Employers National Insurance Contributions) were £59,864 (2022 £82,135).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	28,000	27,125	55,125
Charitable activities			
Charitable activities	21,274	-	21,274
Other trading activities	302,822	-	302,822
Other income	9,643	-	9,643
	<u>361,739</u>	<u>27,125</u>	<u>388,864</u>
Total			
EXPENDITURE ON			
Raising funds	298	-	298
Charitable activities			
Charitable activities	-	32,684	32,684

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Support Costs	22,969	150	23,119
Other	330,489	-	330,489
Total	353,756	32,834	386,590
NET INCOME/(EXPENDITURE)	7,983	(5,709)	2,274
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	650,000	-	650,000
Net movement in funds	657,983	(5,709)	652,274
RECONCILIATION OF FUNDS			
Total funds brought forward	1,938,797	31,789	1,970,586
TOTAL FUNDS CARRIED FORWARD	2,596,780	26,080	2,622,860

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2022 and 31 March 2023	805,000	67,153	26,790	898,943
DEPRECIATION				
At 1 April 2022	16,840	50,142	26,476	93,458
Charge for year	6,440	4,253	105	10,798
At 31 March 2023	23,280	54,395	26,581	104,256
NET BOOK VALUE				
At 31 March 2023	781,720	12,758	209	794,687
At 31 March 2022	788,160	17,011	314	805,485

The long leasehold properties are stated at valuations obtained in September 2021, less depreciation. See note 14 for further details about the 2021 valuation and subsequent valuation in February 2024.

The original cost of the leasehold properties was £760,000.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

14. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 April 2022	
and 31 March 2023	<u>3,737,975</u>
NET BOOK VALUE	
At 31 March 2023	<u>3,737,975</u>
At 31 March 2022	<u>3,737,975</u>

The investment properties were valued in September 2021 based on the fair market value at that time taking into account the rental market at that time.

This was an internal valuation by two RICS qualified surveyors. One was a trustee and one was the deputy CEO and property manager of the Trust.

The original cost of the freehold investment property was £1,462,500.

Fair value at 31 March 2023 is represented by:

	£
Valuation in 2012	1,053,500
Valuation in 2019	339,000
Valuation in 2021	882,975
Cost	<u>1,462,500</u>
	<u>3,737,975</u>

Subsequent valuation

Based on a provisional valuation carried out by chartered surveyors on behalf of the charity's bankers in February 2024, there has been a reduction in valuation of the investment properties of approximately £383,000. The long leasehold properties shown in Note 13 were valued at the same time and were found to have increased in value by approximately £40,000.

As the valuations have not been formally agreed by the bank, the trustees have not retrospectively applied the valuations to the amounts shown in these accounts.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.3.23	31.3.22
		£	£
	Trade debtors	92,109	43,076
	Other debtors	1,358	1,133
	Prepayments and accrued income	2,558	2,463
		<u>96,025</u>	<u>46,672</u>
16.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.3.23	31.3.22
		£	£
	Bank loans and overdrafts (see note 18)	58,537	58,847
	Trade creditors	1,933	13,076
	Social security and other taxes	4,899	3,120
	VAT	13,141	4,414
	Other creditors	215	214
	Accruals and deferred income	103,673	39,218
		<u>182,398</u>	<u>118,889</u>

Loans

The charitable company obtained loan funding in order to redevelop the Acorn Industrial Site which represents the majority of loan funding. A further £300,000 loan was taken to purchase the Freehold at Empress Road and for further property development into Northumberland Road (St Albans). At 5 April 2023 the various loans were consolidated into one loan of £1,920,000, repayable over three years by quarterly instalments and bearing an interest rate of 2.95% over the Bank of England base rate.

A Bounce Back loan of £50,000 was taken out in August 2020. Under the terms of Bounce Back loans, it is unsecured, repayable over six years with no principal repayments over the first 12 months and has an interest rate of 2.5%.

These loans, except the Bounce Back loan, have been secured against the property portfolio held by the charitable company. The total amount secured against the property at 31 March 2023 is £1,881,000 (2022: £1,932,565).

Deferred income

This represents rental income received in advance of the due date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

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

	31.3.23	31.3.22
	£	£
Bank loans (see note 18)	1,861,395	1,920,544
Other creditors	76,596	96,050
	<u>1,937,991</u>	<u>2,016,594</u>

The following liabilities are secured by the charity :

	31.3.23	31.3.22
	£	£
Bank loans and overdraft	<u>1,881,000</u>	<u>1,880,633</u>

18. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>58,537</u>	<u>58,847</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>58,500</u>	<u>58,917</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,802,895</u>	<u>1,861,627</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

19. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	1,692,116	(74,736)	26,080	1,643,460
Revaluation Reserve	904,664	-	-	904,664
	<u>2,596,780</u>	<u>(74,736)</u>	<u>26,080</u>	<u>2,548,124</u>
Restricted funds				
Champions Forum	11,600	-	(11,600)	-
Chances for Change	(150)	-	150	-
Fitness Champions	4,964	-	(4,964)	-
Funds held for NRA	12	-	(12)	-
Gardening C4C	4,477	-	(4,477)	-
Health Promotion	1,534	-	(1,534)	-
High Street Renewal Award	3,883	-	(3,883)	-
Priory Road	(240)	-	240	-
	<u>26,080</u>	<u>-</u>	<u>(26,080)</u>	<u>-</u>
TOTAL FUNDS	<u>2,622,860</u>	<u>(74,736)</u>	<u>-</u>	<u>2,548,124</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	326,488	(401,224)	(74,736)
	<u>326,488</u>	<u>(401,224)</u>	<u>(74,736)</u>
TOTAL FUNDS	<u>326,488</u>	<u>(401,224)</u>	<u>(74,736)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	1,684,132	7,983	1,692,115
Revaluation Reserve	254,665	650,000	904,665
	<u>1,938,797</u>	<u>657,983</u>	<u>2,596,780</u>
Restricted funds			
Champions Forum	11,600	-	11,600
Chances for Change	(150)	-	(150)
Fitness Champions	5,114	(150)	4,964
Funds held for NRA	12	-	12
Gardening C4C	4,477	-	4,477
Health Promotion	1,534	-	1,534
High Street Renewal Award	3,883	-	3,883
Peoples Health Trust Northam	(10,294)	10,294	-
Peoples Health Trust St Mary's	15,853	(15,853)	-
Priory Road	(240)	-	(240)
	<u>31,789</u>	<u>(5,709)</u>	<u>26,080</u>
TOTAL FUNDS	<u>1,970,586</u>	<u>652,274</u>	<u>2,622,860</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	361,739	(353,756)	-	7,983
Revaluation Reserve	-	-	650,000	650,000
	<u>361,739</u>	<u>(353,756)</u>	<u>650,000</u>	<u>657,983</u>
Restricted funds				
Fitness Champions	-	(150)	-	(150)
Peoples Health Trust Northam	27,125	(16,831)	-	10,294
Peoples Health Trust St Mary's	-	(15,853)	-	(15,853)
	<u>27,125</u>	<u>(32,834)</u>	<u>-</u>	<u>(5,709)</u>
TOTAL FUNDS	<u>388,864</u>	<u>(386,590)</u>	<u>650,000</u>	<u>652,274</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

19. MOVEMENT IN FUNDS - continued

UNRESTRICTED FUNDS

Revaluation Reserve

The Revaluation Reserve represents the surplus on revaluation of the investment property subsequent to the amount originally recognised on acquisition.

PURPOSE OF RESTRICTED FUNDS

Peoples Health Trust Northam

The People's Health Trust has funds allocated for developing a local area plan within the Health Shape Local Society Area for community engagement which were not spent at the end of the year and these are carried forward to the next financial year.

Peoples Health Trust St Mary's

People's Health Trust St Mary's grant has funds allocated for the development of the community in this area and represents funds left at the end of the year. These are carried forward to the next financial year.

High Street Renewal Award

The High Street Renewal Fund has funds allocated towards the regeneration of the High Street in Northam Road which were not spent in the year. These are carried forward to next financial year.

Chances For Change

The Chances 4 Change fund has funds allocated for sports and horticultural projects. There was a small overspend at the year-end which will be carried forward at present in lieu of potential further funding for this project.

Health Promotion

The grant is restricted to promote health in the community and any surplus will be carried forward at the year end.

Champions Forum

Champions forum grant was received to recruit and train community street champions and funds not spent at the end of the year are carried forward to the next financial year.

Funds held for NRA

This represents funds held for Newtown Resident Association to be used for restricted purposes and any funds left at the financial year end will be carried forward.

Coastal Communities

Funding is being advanced to projects in the Northam area which will be met by grant funding in arrears or covered by the Northam PHT grant fund. Any surpluses that arise will be carried forward.

Fitness Champions

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

19. MOVEMENT IN FUNDS - continued

This represents the remaining grant from Chances 4 Change to be used specifically for fitness and any funds held at the financial year end will be carried forward.

Gardening C4C

Gardening C4C are funds granted for the communal garden projects. Funds left at the end of the financial year will be carried forward.

Priory Road

This fund relates to costs for a luncheon club and costs incurred. There are no surplus funds at the year end.

Transfers between funds

During the year all Restricted funds were transferred to the General Unrestricted fund. The funds were restricted by the charity rather than the funder and when the support staff were made redundant it was agreed by the charity that the funds should be taken back into unrestricted funds for use for general rather than specific charitable activities.

20. OTHER FINANCIAL COMMITMENTS

The charity has minimum lease payments under non-cancellable operating lease falling due:

	2023 £	2022 £
Within one year	8,700	8,700
After more than one year	4,350	13,050
	<u>13,050</u>	<u>21,750</u>

21. RELATED PARTY DISCLOSURES

The CEO of the charity, Richard Harwood, received an interest-free travel loan from the charity during the year. The amount advanced to him during the year was £2,954 and the amount outstanding at the end of the year was £1,358.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

22. EXCEPTIONAL ITEM

As disclosed in more detail in the Trustees' Report, the trustees were made aware of a serious event which required immediate notification to the Charity Commission. Fraud had been detected covering a period of four months from January 2022. The amounts taken from the charity were £560: 2022 and £1,206: 2023. Full disclosure and co-operation with the Charity Commission was followed and the Charity Commission agreed that the correct procedures had been followed both during and after the event. The person involved cooperated and has paid back all monies.