

**06608621**

**Wickham Community Land Trust**

**A Registered Charity and Company Limited by Guarantee**

**Annual Report and Financial Statements for the year ended**

**31 March 2021**

**Company Registration Number: 06608621**

**Registered Charity Number: 1134897**

**Registered Office:**

**The Old Post Office,  
Station Road,  
Wickham,  
Hampshire.  
PO17 5JA**

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## **DIRECTORS' REPORT**

The directors present their annual report and the financial statements for the year ended 31 March 2021.

### **1. PURPOSES OF THE CHARITY**

#### **1.1 Purposes as set out in Wickham Community Land Trust's governing document**

The charity's purposes are set out in the objects in the Company's Memorandum of Association as follows:

- The provision of social housing and housing to relieve financial hardship; and
- To promote such other charitable purposes as may from time to time be determined subject to the prior written consent of the Charity Commission.

Wickham Community Land Trust (WCLT) is dedicated to the provision of affordable housing in Wickham to relieve the financial hardship of eligible beneficiaries living in the village, surrounding area or with employment in the area; holding the property for the long term public good and protecting it from the damaging effects of asset price inflation and speculation and thereby enabling the provision of affordable housing now and for subsequent generations.

#### **1.2 Summary of activities in support of the purposes**

- Manage the business of the Trust in such manner as to cover costs and, as a not-for-profit organisation, to re-invest for maintenance of the properties
- Maintain and run our properties in such a way that they can remain a long-term public benefit, contributing to the sustainability of this community
- Manage the on-going movement of residents into and out of the properties so that the homes remain a benefit to those who qualify to occupy them on grounds of need
- Maintain the affordable nature of the accommodation
- Retain the freehold of the properties in accordance with the charitable aims of WCLT to provide asset lock
- Pursue opportunities to further meet WCLT's charitable objectives through the provision of additional affordable homes in the vicinity, working in co-operation with Winchester City Council and Homes England
- Monitor and review the charity's performance against its charitable objectives on a regular basis.

#### **1.3 Summary of Activities in relation to public benefit**

- WCLT's main focus is on providing housing for those who cannot afford from their own resources to buy or rent a home on the open market
- The housing of those living in situations inadequate or unsuitable for their needs, regardless of their age, sex, marital status or any other differentiator
- The housing of families living in overcrowded conditions by virtue of inability of young adults to find alternative affordable homes
- Housing those who lose their open market rental homes because of sale or increased rent;
- The housing of key workers serving the local area

- Provision of housing to a number of households with local connection enabling them to receive support from their families (e.g. childcare) or to provide support to family members who need help (e.g. to elderly relatives)
- Shorter journey times for those residents with work in the local area.

WCLT is not aware of any detriment or harm arising from the organisation's aims.

#### **1.4 Benefit to a section of the public**

The public which benefits from our work is made up of a cross section of age groups unable from their own resources to afford a home on the open market.

- Eligibility for housing  
Selection criteria for applicants include housing need, inability to afford property to buy or to rent on the open market, the ability to meet the affordable rent/mortgage outgoings on a WCLT home, suitability of the homes WCLT has available to meet the applicants' needs and local connection (see Geographical Restriction below).
- Geographical Restriction  
WCLT serves the geographical area of Wickham in Hampshire, its adjoining parishes and the administrative area of Winchester City Council, in that order of priority. Being an attractive village within reach of three cities, Winchester, Portsmouth and Southampton, Wickham's house prices, both for purchase and rent, are high and beyond the means of many people from this specific vicinity who wish to be able to live in the community from which they come or in which they work.

#### **1.5 Identifying Public Benefit**

The impact of our achievement goes wider than those families we house, and its public benefits include the following:

- A reduction in the number of people seeking affordable housing in the area
- A reduction in local barriers to housing
- An increase in housing stock available for affordable homes
- Increased availability of local accommodation for key workers serving the local area
- A reduction in distances between home and workplace for people working in the area
- The retention of assets within the local community for public benefit, providing a long-term asset lock.

#### **1.6 Private benefit**

No-one receives any private benefit from WCLT.

#### **1.7 Directors' Public Benefit Statement**

The Directors of WCLT confirm that in drawing up this report they have been aware of their duty to report on public benefit and have paid due regard to the Charity Commission's guidance in this respect.

### **1.8 Contribution made by volunteers**

WCLT has no employees. All work undertaken by directors and our part-time bookkeeper, Mrs Brenda Farrow, is undertaken on a voluntary basis.

### **1.9 Additional Information**

WCLT employs a Managing Agent for its rental properties. While the selection process of suitable eligible persons to occupy its properties remains under the control of WCLT, once that process is complete the Managing Agent deals with the collection of rent and service charge and manages repairs. However, WCLT remains closely involved in management issues and directly manages the shared ownership properties.

## **2. ACHIEVEMENTS AND PERFORMANCE**

### **2.1 Quantitative and Qualitative Information**

In this financial year the number housed by the Trust increased to 23 individuals (adults and children) who qualify under the categories outlined in 1.3 above. There were no changes in tenant occupation during the year, and there were, therefore, no void periods.

Feedback from our residents remains consistently appreciative.

### **2.2 Meeting the Social Housing Regulator's Standards**

Directors continue to use the Regulator's Economic and Consumer Standards as points of reference for measuring our service-delivery.

2.2.1 Governance and Financial Viability Standard WCLT 's Code of Practice and Financial Viability, based on the standard, sets out the fundamental values which underpin WCLT's practice and ensures that it a) meets the Regulator's standard and b) conducts its business in an effective, transparent and accountable manner. The Board certifies its compliance with the standard during the course of 2020/2021.

2.2.2 Value for Money Standard (VFM):

The WCLT Board regularly reviews all areas of its operation to look at opportunities for reducing costs or securing additional income in line with its Value for Money Policy.

The voluntary time of Board Members in running the organisation "hands on" is a key contributor to constraining costs as well as providing a responsive service – examples include our financial and administrative returns, lettings, management of shared ownership properties, financial management and reporting. The Board recognises that as WCLT grows additional paid administrative and financial resources will be required and future projects include financial provision for such additions.

The Board recognises that maintenance costs are increasing as properties acquired in 2012 age and has increased budgetary provision in its plans for future years.

The Vice Chair and a Board member have conducted an analysis according to the Regulator's Value for Money metrics. While these are a useful tool generally the Board is aware that the small number of properties WCLT owns means they have to be used with caution and broad comparisons are not reliable.

The Regulator of Social Housing in April 2018 published new standards to Registered Providers by which to establish comparative Value for Money metrics. The following were agreed as relevant by the Board, and we present our performance evaluation against each parameter:

		2020/21	2019/20
Metric 3	Gearing	(0.26)	(0.23)
Metric 4	EBITDA MRI interest cover	0.26	1.58
Metric 5	Social Housing cost (per 8 units owned)	£7,182	£4,582
Metric 6	Operating Margin	0.30	0.26
Metric 7	Return on Capital Employed	0.01	0.01

Metrics 1 & 2 - Reinvestment and New Supply - were not used as no relevant activity in these periods. The reduction in Metric 4 has arisen because the Trust incurred significant expenditure in relation to the planned acquisition of additional housing properties, which was largely funded through government grants. The expenditure is included in Metric 4, but the corresponding government grant income is not, hence the apparent decrease in EBITDA MRI interest cover.

- 2.2.3 Rent Standard: whilst WCLT is exempt from this standard through its provision of housing for intermediate rent, the Board refers to the Regulator's Guideline Limit in its rent review, as recommended in the standard. In 2020 WCLT froze some rents and applied only a 1.7% rent rise to others in order to maintain affordability, although the Rent Standard guideline would have allowed a maximum 2.7% increase.

2.2.4 Home Standard

- i) Quality of accommodation: WCLT's 8 homes meet the Government's Decent Homes requirement and also Sustainability Code 3 and Lifetime Homes criteria.
- ii) Repairs and Maintenance: WCLT is responsive to matters of ongoing repair and maintenance.

2.2.5 Tenant Involvement and Empowerment Standard

WCLT convened a meeting with residents on 25<sup>th</sup> November 2020 to disseminate information, explain charges and to capture residents' views and respond to any of their concerns. More details are given at 6.4 below.

WCLT's Managing Agent also visits tenants in their homes. All tenant reviews remain positive and feedback in respect of WCLT performance has also been positive. Those tenants reaching the completion of their sixth year in residence have renewed their tenancies. WCLT will continue to take account of tenants' views in monitoring its performance as a landlord.

**2.2.6 Neighbourhood and Community Standard**

In managing its current portfolio WCLT works to good effect with Hyde Group, Wickham Community Association and Wickham Parish Council in respect of grounds maintenance, street lighting, the access road and community issues and with Winchester City Council and Wickham Festival organisers.

- 2.2.7 Tenancy Standard** Although as a provider of intermediate homes WCLT is exempt from this standard WCLT still retains its current tenancy standard as a useful guide and operational reference point in relation to tenancies and tenancy review processes.

**2.3 Achievements against objectives set**

The objectives for the period 2020-2022 were approved by the Board in September 2019. Satisfactory progress was achieved in all the ongoing management objectives and steady progress was made towards the acquisition of 10 new properties in Wickham at the rear of School Road, now officially named "Wykeham Vale" (the projected purchase was reported in the 2019/20 report as in "School Road"). Of particular note was the offer of loan finance from Triodos Bank to supplement grant funding already agreed with Winchester City Council and South Downs National Park. Negotiations for the purchase of the properties proceeded well and a purchase agreement was close to finalisation by the year end. In addition, the necessary security documents relating to the new properties were raised and distributed to the Trust's lenders in order to ensure agreement on orders of priority over assets. The necessary legal documents were, at year end, close to finalisation and post the year end, progress has been maintained. Relations with the developer, Croudace, and the Housing Association from which we shall make the purchases, Aster, have always been good and remain so. The Trust, even before the purchases have been formally agreed, has been a party to the development since a start on site was made in the previous financial year. Unfortunately, due to Covid restrictions construction has been slowed with prospective first completions being projected some three months later than originally planned, now projected to be February 2022. A revenue grant from the Community Housing Fund through Homes England covered much of the pre-development work costs incurred by the Trust although because the fund was for expenses to be incurred and paid by the year end, a small repayment of monies drawn down against the grant will have to be made in the following year.

In addition to growth and expansion objectives the 2020-2022 objectives include the intent to increase local profile of the Trust and although no action took place on these goals in the year, plans were made in outline and agreed to be carried out in the following year. Nevertheless, a major boost to our local involvement plan was the receipt of a donation of £250,000 in FY 2019/20 in memory of a local business couple, Dick and Joyce Warwick, which has made a considerable difference to our ability to contribute significant funds towards new projects and rely less on commercial lending. The Board wishes to thank Dick and Joyce's family for their generosity in supporting of housing for local people, to whom they had a lifelong commitment.

WCLT will continue to monitor and review its achievements to ensure it continues to meet its aims.

**3. FINANCIAL REVIEW**

The financial statements have been prepared in accordance with the Housing SORP 2018.

Under this SORP the capital grant from Homes England used for the purchase of homes in Houghton Gardens, is classified as deferred income in the Balance Sheet with a proportion being taken each year to the Income and Expenditure account.

Also, under this SORP, the Income and Expenditure account is titled the Statement of Comprehensive Income and the Balance Sheet is called the Statement of Financial Position. In addition, we have included a Statement of Cash Flows.

The principal financial management policies in force are WCLT's Financial Controls Policy, Monitoring and Review Policy and WCLT's Reserves Policy.

### **3.1 Financial position at the end of the period**

We are reporting a surplus for the year of £7,780 (2019/20 surplus of £263,725).

The Trust's operating performance in this financial year has been consistent with prior years. The cash position at the end of the year was very strong as a result of grant income unspent during the year and the cash donation made in the previous year that is still held in our accounts. The surplus was planned to be lower through the payment of a deposit (£205,000) on the purchase of 10 homes in Wykeham Vale, Wickham before year end but, as described in 2.3 above, negotiations on the purchase were delayed beyond the fiscal year. The sums are carried forward in anticipation of the transaction being completed successfully during FY 2021/22. The deposit amount is half of the total grant agreed with the Council towards this project, the remainder due on practical completion of the units. In the event that negotiations to purchase the homes fail, this grant will be returned in full to the Council, so it is ring-fenced within our accounts. To ensure that the funds remain available for return, if necessary, the deposit will not be paid until there is absolute assurance that the CLT can purchase the homes within the rent terms ("affordable rent") as dictated by the s106 and Homes England procedures.

Cash has further remained high due to a generous donation of £250,000 from the executors of a local businessman received in 2019/20 and retained in our account that will also be directed in large part to the purchase of homes in Wykeham Vale.

Revenue grant was also drawn down from Homes England to part finance the upfront legal and other fees of the Wykeham Vale project and one other project under discussion. The grants were allocated from the Community Housing Fund that closed on March 31<sup>st</sup>, 2021. Any funds drawn down but unspent at that cut-off date are to be returned to Homes England and a little over £8,000 is to be returned in FY2021/22 and is accounted for in the Financial Statements which follow.

To finalise the purchase of the Wykeham Vale properties (expected to be completed in two equal tranches in 2021/22 and 2022/23) The Trust has agreed a grant from South Downs National Park that will be payable on practical completion of the properties and entered into a commercial loan facility arrangement, with Triodos Bank.



### 3.2 Reserves

WCLT's Reserves Policy states the Trust's intention to hold reserves to the equivalent of at least 6 months of normal operating costs in order to:

- ensure continuity in meeting the needs of beneficiaries and the Charity's financial obligations
- ensure the Charity can bridge cash flow problems in periods of changeover when beneficiaries leave or move into properties or rental income drops at such times
- maintain and develop its charitable activities.

In line with Charity Commission guidance this policy was reviewed in July 2021 and will be reviewed annually.

As at 31 March 2021 the Trust held reserves of £346,503 (2019/20: £338,723). The reserves held at the end of the Financial Year are the equivalent of 72 months' operating expenditure.

### 3.3 Principal Funding Sources

3.3.1 In recognition of grant received in July 2017 from Winchester City Council's Community Housing Fund WCLT has continued to contribute to the local authority's community-led housing initiative. This consists of Steering Committee membership of Hampshire Homes Hub, speaking commitments, making available WCLT's Case Study and model documents and advising other community housing projects.

3.3.2 Lenders in the period were as follows:

- Charity Bank
- Winchester City Council
- Hyde Group

3.3.6 Donations:

- Estate of Richard Warwick £250,000

### 3.4 Rental Income

3.4.1 Rental Income from the four rental properties has provided a steady income throughout the financial year. There were no void periods.

3.4.2 Rental Income from shared ownership homes also provided a steady income.

### 3.5 Expenditure

3.5.1 WCLT has continued to be cautious with its expenditure and at the end of the period finances remained healthy. Our budgeting reflects increased maintenance costs. Otherwise, expenditure in this financial year has been predominantly on administration, legal and financing fees and insurance and the Trust continues to track closely to its original financial model.

3.5.2 Legal costs regarding the Wykeham Vale project were incurred and represented the most significant single operating cost to the Trust. These costs will continue into the following year but will have to be met from reserves as a result of the closure of the Community Housing Fund. Impact will be seen in the next financial year.

3.5.5 All payments are governed by WCLT's Financial Controls Policy and any repayment of expenses to directors is made according to the regulations laid down in that policy.

### **3.6 Risks**

- 3.6.1 The Trust, by the very nature of its business model, is dependent on rental revenues and on external finance, and will thus always remain exposed to potential increases in interest rates. Risk Appraisals constantly review the situation, but projections currently are that rates will remain low for some time. New lending arrangements made with Triodos Bank during the year (for consummation in FY2021/22) are at 3.0% above BoE rate. Modelling conducted during the year on new projects demonstrated that the Trust is capable of maintaining its goals at higher rates but clearly as the Trust is providing affordable housing sudden and significant rises in interest rates would be unwelcome.
- 3.6.2 Succession planning features in the Trust's regular risk appraisal.
- 3.6.3 Plans for future involvement in other sites (see 3.10 below) also feature within our regular assessment of risk.
- 3.6.4 The impact of the Corona virus pandemic on our tenants has been closely monitored and support offered to them should the need arise. The Trust is pleased to report that no issues arose during the year or in the months following its close.
- 3.6.5 The voluntary affordable homes sector is dependent on support from the government. The Trust has benefitted from the availability of the Community Housing Fund (CHF). The Trust has participated during the year in efforts to persuade the government to expand provision of grants for which it might be eligible – but success looks unlikely.

### **3.7 Investment**

As part of the original loan terms with Charity Bank, WCLT has £8,426 (2019/20: £8,407) in a Charity Bank Deposit Account. Although Charity Bank has been sufficiently satisfied with the soundness of WCLT's performance to lift this condition WCLT chooses to retain this deposit.

### **3.8 Fundraising activities**

WCLT has not undertaken any active fundraising in the course of this financial year.

### **3.9 Events subsequent to this report period**

- 3.9.1 The two rent reviews conducted in the year, one for the rental properties and one for the shared ownership homes, were conducted in the last quarter of this report period, with implementation following in the subsequent reporting period.

### **3.10 Plans for the forthcoming year**

In addition to the ongoing management of WCLT's existing properties, the Trust's activities in 2021/2022 will be heavily influenced by progress on projects to expand its portfolio of affordable homes.

- 3.10.1 Completion of arrangements to purchase 10 homes in the Wykeham Vale project. The opportunity for the Trust to be involved has been well supported by the local authority, the developer and the RSL purchasing the majority of affordable units together with Triodos Bank so that at year end the final steps in negotiations were under way and fulfilment of these is expected in the months immediately following the year end.

3.10.2 Discussions with both Winchester City Council and Homes England to develop options for WCLT's acquisition of 20 further homes on a Homes England site at Knowle, near Wickham, have stalled and will be picked up again if and when the authorities have a clear strategy for moving ahead.

3.10.3 WCLT has developed excellent working arrangements with developers/housing associations bidding for involvement in the above sites.

3.10.4 At each step of the way, WCLT carefully appraise any financial and viability risks involved in these new openings

3.10.5 WCLT has addressed issues of scaling up to deal with these potential developments and recruiting extra trustees to cover increased workload and/or to employ a member of staff to assist with the increased administrative work.

## **4. STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **4.1 Governing Document**

Wickham Community Land Trust (WCLT) is registered in England and Wales as a Company Limited by Guarantee with charitable aims, with the governing documents being Memorandum and Articles of Association. It was registered as such on 2nd June 2008

### **4.2 Legal Definition of a Community Land Trust under the Housing & Regeneration Act 2008**

WCLT meets the legal definition of a community land trust as defined by the Act.

### **4.3 Members and Membership**

Subscribers to the Memorandum and Articles of Association were the first members of the Charity. Membership is open to other individuals or organisations who apply to the Charity in the form required by the Directors and who are approved by the Directors. The Board hopes to recruit new members in this way as part of its succession planning.

There is one class of membership.

Persons with Significant Control: WCLT keeps a register in which to record such but at present the position is Nil.

In accordance with our Conflicts of Interest Policy all directors are required to complete annually a Register of Interests.

There have been no changes to the composition of the Trust Board during the year.

Any local authority appointments should be maintained at less than 20% of the total board. There are currently no LA appointments represented on the Board.

#### 4.4 Director Induction, Training and development

Directors are provided with a Trustee Role Description and asked to sign a Trustee Code of Conduct and to complete a Declaration in respect of Individual Voluntary Arrangements, bankruptcy and unspent convictions. All directors have a copy of the Charity Commission publication 'The Essential Trustee: what you need to know'. Updates in the Charity Commission's Newsletters are disseminated to Directors during the year.

Suitable opportunities for development through attending courses, conferences or seminars are identified and supported at Board level.

#### 4.5 Organisational and Structural Matters

##### 4.5.1 Day to Day Management

The day-to-day management of WCLT is undertaken either by an executive committee or by the Housing Sub-Committee. The executive committee consists of the Chairman, Nicol Holladay, the Company Secretary, Anthony Raymer, and the Vice Chairman, Geoffrey Phillpotts, with involvement of the Financial Director where relevant. The Housing Sub-Committee is made up severally of Geoffrey Phillpotts, David Thompson, Christopher Cook, Jane Isaac and Wendy Greenish to deal with individual housing matters and the allocation of properties and they are called upon on a more ad hoc basis depending on the skills required and their time available. Other directors according to their skills and roles are called on as per actions agreed at meetings. Directors are regularly updated on current issues at the board meetings and all major and policy decisions are taken by the board.

4.5.2 **Code of Practice** WCLT has its own Code of Practice and Financial Viability, based on that of the Housing Regulator's Standard, which the Board deems appropriate to the organisation's size and role as a non-profit registered provider.

4.5.3 **Code of Governance** has its own Code of Governance based on that of the Charity Commission. Both this and the Code above set out the fundamental values which underpin WCLT's operation and against which the Board can assess the effectiveness of its governance arrangements and operation.

4.5.4 WCLT's **master tenancy documents** are in line with current legislation.

4.5.5 **Asset Register** WCLT manages its resources prudently to ensure its viability and actively assesses and manages risk. Whilst our properties have not been revalued in the accounts (see accounting policy h) a valuation carried out in April 2018 at the behest of Charity Bank showed that all the properties have a market value well in excess of cost and these market values have been noted in the asset register.

4.5.6 **Data Protection:** in line with current legislation on GDPR WCLT has audited the data it handles. It has published its Privacy Policy and the Board receives a Data Protection report at each meeting.

4.5.7 **Risk Management** Consideration of WCLT's Risk Appraisal is led by Trustee David Thompson and embedded as a regular item in Board Meetings and the Board is satisfied that WCLT's consideration of risk is sufficiently informed to encompass consideration of both internal and external matters and that WCLT has complied with regulatory requirements to date and will continue to do so in the foreseeable future.

4.5.8 **Insurance:** WCLT's cover provides for Directors' and Officers' Liability Insurance, Public and Products Liability Insurance, Property Owners' Liability Insurance and Buildings Insurance. WCLT holds NHBC certification for all its eight properties.

#### 4.5.9 Legal

- i) New tenants are initially offered our Starter Only Assured Shorthold Tenancy, and progress to a five-year Fixed Term Assured Shorthold Tenancy after a satisfactory probationary period.
- ii) Shared Ownership Agreements are based on the Homes England Model Lease for Protected Areas, with stair-casing restricted to 80%.
- iii) Our tenancy agreements are reviewed and endorsed by our legal advisers.

#### 4.6 Relationships with related parties

4.6.1 **Charity Commission:** WCLT is a registered charity (registration 12th March 2010). WCLT submits an Annual Return to the Charity Commission and is in receipt of its informative Quarterly Newsletters.

#### 4.6.2 Department of Work and Pensions

Communication has been set up between WCLT and DWP in readiness for such time as any of our residents move onto Universal Credit. Liaison between WCLT and DWP will be ongoing as members of WCLT are invited to seminars on the subject of the roll out of Universal Credit. WCLT email accounts meet the security requirements of the DWP.

4.6.3 **Homes England and Regulator of Social Housing:** WCLT is registered as a non-profit private registered provider of social housing with the regulating body. WCLT in terms of regulation counts as a small provider. As a Registered Provider WCLT reports to and receives advice from the regulator and submits its Statistical Data Return under NRosh+.

4.6.4 WCLT, through its own policy documents and processes, both seeks to meet the regulator's Economic Standards and to reflect its Consumer Standards. These underpin WCLT's operations and throughout this financial period WCLT has sought to maintain and review its performance against these operating standards.

4.6.5 **Hyde Housing Association:** With WCLT owning its current portfolio of properties on a shared site with Hyde Housing Association communication between us is important.

- i) The working relationship between WCLT and Hyde's local housing management team is in essence co-operative and effective.
- ii) Communication with Hyde Group's centralised departments can be more difficult. WCLT strives to keep the channels of communication open and effective but success in communication with Hyde Housing's Service Charge and Income Departments can be patchy in respect of Estate Charges (see section 6 below: Funds held as custodian trustees)

#### 4.6.6 Winchester City Council (WCC)

WCLT's relationship with Winchester City Council has strengthened further in the year through its contributions to the local authority's community led housing initiatives. WCLT continues to report to Winchester City Council and provide it with allocation data on its homes so that together with the zone agent, Radian Group (see Radian Group below), an up-to-date picture of housing need in the area can be maintained. To comply with s106 arrangements covering Wykeham Vale, WCLT has submitted a revised Allocations Policy to WCC in order to allow it to provide affordable homes on that site. The revised policy has been agreed and came into force during the year.

4.6.7 **Radian Group:** WCLT is party to a service level agreement with the Local HomeBuy Agent, Radian, for housing in Winchester City's district. As part of this, their online property website for the area, originally HomesinHants and now "HelptoBuySouth", advertises WCLT's affordable homes, puts potential applicants in touch with WCLT and notifies WCLT of the waiting list for homes in the area. In turn WCLT provides Radian with WCLT's allocation data.

- 4.6.8 **National CLT Network (NCLT)** WCLT is a member and both benefits from this membership and actively supports the NCLT in its work.
- 4.6.9 **Information Commissioner and the Housing Ombudsman:** WCLT is registered with the former in respect of Data Protection and, as a provider of social housing, is registered with the Housing Ombudsman Service.
- 4.6.10 **Wickham Parish Council:** WCLT maintains its links with Wickham Parish Council with communications with the Clerk to the Parish Council and individual councillors and exhibited at the Parish Assembly in May 2019.
- 4.6.11 **Hampshire Home Choice:** in order that the Trust can offer homes on Wykeham Vale to qualifying tenants, its allocations and nominations policy has been revised to satisfy the requirements of the s106 agreement governing the provision of affordable homes on the site. *Inter alia*, this required the Trust to sign up to advertise affordable vacancies to local people through Hampshire Home Choice.

## 5. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

<b>Charity Name:</b>	Wickham Community Land Trust
<b>Charity Registration Number:</b>	1134897
<b>Homes England Registered Provider:</b>	4692
<b>Company Registration Number:</b>	06608621
<b>Registered Office and operational address:</b>	The Old Post Office, Station Road Wickham, Hampshire, PO17 5JA.
<b>Correspondence address:</b>	P.O. Box 739, Fareham, Hants, PO14 9RH.

### Board of Directors:

Mr. N. A. Holladay	Chairman
Mr. G.S. Phillpotts	Vice Chairman
The Reverend A. J. Smith	Finance Director
Mr. A. Raymer	Director and Company Secretary
Mr. C. Cook	
Mr. E. Fitzgerald	
Mr. D.R. Thompson	
The Reverend Jane Isaac	Nominee of Benefice of St. Nicholas, Wickham and St. John the Baptist, Shedfield.
Mrs Wendy Greenish	

**Bankers:** NatWest, 52 West Street, Fareham, Hants. PO16 0JX

**Legal Advisers:** Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

**Auditors:** Rothmans Audit LLP, Statutory Auditors and Chartered Accountants, Avebury House, St Peter Street, Winchester, Hampshire, SO23 8BN.

**Chartered Surveyors:** Chandler Hawkins (Portsmouth)

**Hon. Adviser:** Mr. A. R. Robinson, Diocesan Secretary, Diocese of Winchester

**Managing Agent:** Byrne Runciman, Estate Agents, The Square, Wickham, Hampshire, PO17 5JT

## 6. FUNDS HELD AS CUSTODIAN TRUSTEES

### 6.1 WCLT levies certain monthly charges from their tenants:

- i) General Service charges for Maintenance and Sinking Fund together with an administrative and accounting costs fee
- ii) Estate Service Charge for grounds maintenance undertaken by Hyde Housing and payable to them on invoice. There is a collection fee associated with this.

### 6.2 As custodian of funds held on behalf of others WCLT has two Client Accounts into which to deposit sums related to i) and ii) above:

- i) Sums related to the General Service Charges and Estate Service Charges are paid into a current account.
- ii) Contributions collected for the Sinking Fund are placed in an interest-earning Business Reserve Account.

### 6.3 General Service Charge. WCLT, in its review of rents and service charges in February 2020 decided again to increase the levy rate for Sinking Fund to allow for inflation at 1.7%. This increase of the General Service Charge came into effect from May 2020.

### 6.4 Estate Service Charge:

- 6.4.1 WCLT continues to have a less than straightforward working relationship with Hyde on the matter of these charges and arrangements, though eventually being resolved, have remained complicated by the difficulty of reaching appropriate staff
- 6.4.2 As in previous years, arrangements with Hyde Housing in respect of Estate Service Charges have not run smoothly despite constant efforts. Nevertheless, the Trust makes adequate provisions to meet the charges which eventually are communicated to us and after various corrections that need to be made, annual costs are agreed and paid. We regard that, after several years' experience, budgets are predictable, provisions are adequate, and expenditure is under financial control.

## **7. CONCLUSION**

WCLT has enjoyed a period of consolidation with the Trust able to concentrate on managing its properties as well as possible for the individual residents and with regard to the long-term aims of the Trust.

From this sound base, WCLT has been able to engage actively and constructively in development of the Wykeham Vale site that commenced on site in January 2020. WCLT's involvement could be crucial to this community in that only WCLT has allocation criteria which allow it to accommodate local people in perpetuity. The addition of the 10 homes on the site to the Trust's portfolio is a major step forward in the growth of the service to local people in need that remains at the heart of the Trust's objectives.

WCLT is very grateful for the support of local people and those organisations with which we have worked over the last few years. We particularly appreciate the good and sometimes special working relationships with these supportive organisations.

Sincere thanks are also due to the directors who have given their time and expertise generously and voluntarily to push WCLT's goals forward. WCLT is grateful to those directors who are keen to continue into next financial year.



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. 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 directors are aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board,



Anthony Raymer

**Director and Company Secretary**

## **Independent Auditor's Report to the Members of Wickham Community Land Trust**

### **Opinion**

We have audited the financial statements of Wickham Community Land Trust (the 'Trust') for the year ended 31 March 2021 which comprise the Statement of Consolidated Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Reserves 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 Trust's affairs as at 31 March 2021, and of 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, 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 association 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 board's 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 association'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 board with respect to going concern are described in the relevant sections of this report.

## **Independent Auditor's Report to the Members of Wickham Community Land Trust (continued...)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report<sup>1</sup>, other than the financial statements and our auditor's report 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.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

## **Independent Auditor's Report to the Members of Wickham Community Land Trust (continued...)**

### **Director's responsibilities**

As explained more fully in the director's responsibilities statement set out on page 15, the directors (who are also the trustees 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 directors determine are 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 directors are responsible for assessing the Trust'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 directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

The objectives of our audit, in respect to fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures include the following:

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and those laws and regulations that had a direct effect on the financial statements.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including FRS102, the Companies Act 2006,

the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships
- tested journal entries to identify unusual transactions
- investigated the rationale behind significant or unusual transactions

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

- agreeing financial statement disclosures to underlying supporting documentation
- reading the minutes of meetings of those charged with governance
- enquiring of management as to actual and potential litigation and claims
- reviewing correspondence with relevant regulators, including Homes England and the Regulator of Social Housing and the company's legal advisors; and
- reviewed legal and professional expenditure incurred in the year.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our Report

This report is made solely to Wickham Community Land Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's 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 association and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



30 September 2021

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**Susan Sullivan FCA (Senior Statutory Auditor)**

For and on behalf of  
Rothmans Audit LLP  
Chartered Accountants and Statutory Auditors  
Avebury House  
6 St Peter Street  
Winchester  
Hampshire  
SO23 8BN

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2021

Company Reg. No: 06608621

Charity Number: 1134897

## Statement of Comprehensive Income

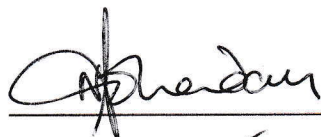
For the year ended 31 March 2021

		2021	2020
	Note	£	£
Turnover	2	72,925	49,723
Operating expenditure	2	(57,457)	(36,658)
<b>Operating Surplus</b>		<b>15,468</b>	<b>13,065</b>
Interest receivable and other income	3	75	264,428
Interest payable and financing costs		(7,763)	(13,768)
<b>(Deficit)/Surplus on ordinary activities before taxation</b>	4	<b>7,780</b>	<b>263,725</b>
Taxation	5	-	-
<b>(Deficit)/Surplus for the year and total comprehensive income</b>	14	<b>7,780</b>	<b>263,725</b>

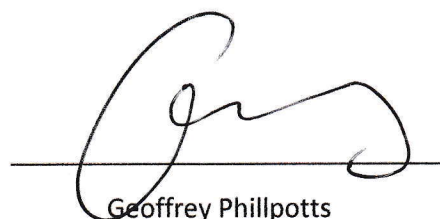
The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Directors on September 29<sup>th</sup>, 2021 and signed on their behalf by



Nicol Holladay  
Chairman & Director



Geoffrey Phillpotts  
Director



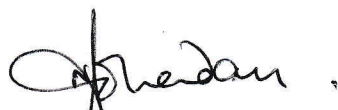
## Statement of Financial Position

As at 31 March 2021

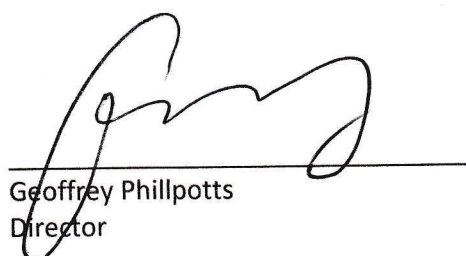
		31 March 2021	31 March 2020
	Note	£	£
<b>Fixed assets</b>			
Tangible fixed assets	7	698,555	710,857
<b>Current assets</b>			
Prepaid expenses	8	3,748	3,741
Cash at bank and in hand		523,128	510,545
		<b>526,876</b>	<b>514,286</b>
<b>Creditors – Amounts falling due within one year</b>	9	<b>(21,248)</b>	<b>(19,465)</b>
<b>Net current assets</b>		<b>505,628</b>	<b>494,821</b>
<b>Total assets less current liabilities</b>		<b>1,204,183</b>	<b>1,205,678</b>
<b>Creditors – Amounts falling due after more than one year</b>	10	<b>(847,707)</b>	<b>(858,077)</b>
<b>Provisions for liabilities</b>	13	<b>(9,973)</b>	<b>(8,878)</b>
<b>Total Net assets</b>		<b>346,503</b>	<b>338,723</b>
<b>Reserves</b>			
Income and expenditure reserve	14	346,503	338,723
<b>Total Reserves</b>		<b>346,503</b>	<b>338,723</b>

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

The financial statements were approved and authorised for issue by the Directors on September 29<sup>th</sup>, 2021 and are signed on their behalf by



Nicol Holladay  
Chairman & Director



Geoffrey Phillpotts  
Director

The notes on pages 25 to 34 form part of these accounts



## Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 £	2020 £
Net cash generated from operating activities	15	(1,774)	16,747
<b>Cash Flow from Investing Activities</b>			
Interest received		25	74
<b>Cash Flow from Financing Activities</b>			
Grants and donations received		22,095	467,530
Interest paid and other finance costs		(7,763)	(13,768)
Net change in cash and cash equivalents		<b>12,583</b>	<b>470,583</b>
Cash and cash equivalents at the start of the year		510,545	39,962
Cash and cash equivalents at the end of the year		<b>523,128</b>	<b>510,545</b>

## Statement of Changes in Reserves

	Income and expenditure reserve £	Total £
<b>At 1 April 2019</b>	<b>74,998</b>	<b>74,998</b>
Surplus for the year	263,725	263,725
<b>Total comprehensive income</b>	<b>263,725</b>	<b>263,725</b>
<b>At 31 March 2020 and 1 April 2020</b>	<b>338,723</b>	<b>338,723</b>
Surplus for the year	7,780	7,780
<b>Total comprehensive income</b>	<b>7,780</b>	<b>7,780</b>
<b>At 31 March 2021</b>	<b>346,503</b>	<b>346,503</b>

## Notes to the Financial Statements

### 1. Accounting policies

#### a) *Legal status*

Wickham Community Land Trust is registered under the Companies Act 2006 as a company limited by guarantee incorporated in England and Wales. It is registered with both the Charity Commission and Homes England as a Registered Provider and is a public benefit entity. Its registered office is The Old Post Office, Station Road, Wickham, Hampshire, PO17 5JR

#### b) *Basis of preparation*

The financial statements have been prepared

- under the historic cost convention
- on the going concern basis
- in accordance with the Statement of Recommended Practice for social housing providers known as the Housing SORP 2018
- in accordance with the Accounting Direction for private registered providers of social housing in England 2019
- in accordance with the Charities Act 2011
- in accordance with applicable UK Generally Accepted Accounting Principles (UK GAAP) accounting standards, including Financial Reporting Standard 102 (FRS 102)
- in accordance with the Companies Acts 2006.

The financial statements are presented in sterling which is the functional currency of the Trust and are rounded to the nearest pound.

As the Company is a charity, the wording of the statutory formats required by the Companies Act 2006 has been appropriately amended in order to give a true and fair view.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### c) *Significant Judgements*

In applying the various accounting policies relevant to social landlords, the trustees have determined to categorise the houses owned by the trust as fixed assets rather than investment properties. As such they are shown at cost rather than market value. As house prices have risen since the houses were acquired by the trust this means that they are shown in the accounts below market value.

#### d) *Key Assumptions and sources of estimation uncertainty*

The trustees consider that there are no significant areas of uncertainty in the assumptions they have made that would be likely to cause a material change to the carrying value of any assets or liabilities over the next year.

## 1. Accounting policies (*continued*)

### e) *Funds structure*

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

### f) *Turnover*

Turnover comprises rental income receivable in the year, service charges receivable in the year and income from shared ownership first tranche sales. Income from first tranche sales is recognised at the point of legal completion of the sale.

### g) *Expenditure*

Expenditure is recognised on an accruals basis.

### h) *Fixed assets*

#### *Housing Properties*

The company holds four properties available for rent and four properties available for shared ownership.

Fixed assets are stated at cost less accumulated depreciation.

#### *Depreciation*

Freehold land is not depreciated.

The company separately identifies the major components which comprise its housing properties and charges depreciation so as to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The company depreciates the major components of its housing properties over the following timescales

Structure	100 years
Roof	60 years
Kitchen	20 years
Bathroom	30 years
Boiler	15 years
Heating System	30 years
Windows & Doors	20 years
Electrics	30 years

## **1. Accounting policies (continued)**

### *Impairment*

Impairment reviews are carried out as and when evidence comes to light that the recoverable amount of a functional fixed asset is below its net book value due to damage, obsolescence or other relevant factors.

#### *i) Shared ownership properties*

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and related sale proceeds included in turnover and the remaining element is classed as fixed assets and included in housing properties at cost, less any provisions needed for depreciation or impairment.

#### *j) Social Housing Grant*

Social housing grant (SHG) is receivable from Homes England. Under SORP 2018 the company has adopted the accruals model for the recognition of government grant and is required to account for such grants as deferred income and to take a portion of the grant to income each year. Grants relating to housing properties are recognised in income on a systematic basis over the useful economic life of the housing property structure.

#### *k) Debtors and Creditors due within one Year*

Debtors and creditors receivable or payable within one year, and with no stated interest rate, are initially recorded at transaction price and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

#### *l) 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.

The Trust is in receipt of two loans with interest rates below the prevailing market rate of interest. These loans are not repayable on demand and are for the purposes of furthering the objectives of the public benefit entity or public benefit entity parent and are therefore accounted for as concessionary loans. These loans are initially measured at the amount received and in subsequent years the carrying amount of these loans is adjusted to reflect any accrued interest payable.

#### *m) Provisions for Liabilities*

Provisions are recognised when the Trust 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.

**2. Income and Expenditure from Social Lettings**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Turnover</b>		
Intermediate rental income	31,408	30,586
Shared Ownership rental income	13,987	13,581
Homes England grant taken as income	3,700	3,700
Homes England revenue grant	22,045	-
Charges for support services	1,785	1,856
	<u>72,925</u>	<u>49,723</u>
	<u></u>	<u></u>
<b>Expenditure</b>		
Maintenance costs	(6,666)	(5,422)
Insurance	(4,186)	(4,093)
Void costs	-	(348)
Property Management Costs	(2,638)	(2,569)
Other costs	(43,967)	(24,226)
	<u>(57,547)</u>	<u>(36,658)</u>
	<u></u>	<u></u>

Rental income is stated net of identifiable service charges.

**3. Interest receivable and other income**

	<b>2021</b>	<b>2020</b>
	£	£
Interest receivable	25	74
Insurance claims	-	1,824
Donations & grants received	<u>50</u>	<u>262,530</u>
	<u>75</u>	<u>264,428</u>

**4. Surplus on ordinary activities**

This is stated after charging:

	<b>2021</b>	<b>2020</b>
	£	£
Auditor's remuneration – for audit services	3,924	3,708
Auditor's remuneration – non-audit services	564	-
Depreciation	<u>12,302</u>	<u>12,302</u>

**5. Taxation**

As a charity, WCLT is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

**6. Key management personnel remuneration and employees**

Key management personnel neither received nor waived any remuneration during the year. (2020: £nil). The charity had no employees in the current or previous year.

**7. Tangible fixed assets**

	<b>Freehold Land and Buildings - Intermediate Rent</b>	<b>Freehold Land and Buildings - Shared Ownership</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At beginning of year	495,007	310,166	805,173
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	495,007	310,166	805,173
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At beginning of year	(59,157)	(35,159)	(94,316)
Charge for year	(7,716)	(4,586)	(12,302)
	<hr/>	<hr/>	<hr/>
At end of year	(66,873)	(39,745)	(106,618)
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
<b>At 31<sup>st</sup> March 2021</b>	<b>428,134</b>	<b>270,421</b>	<b>698,555</b>
	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2020	<b>435,850</b>	<b>275,007</b>	<b>710,857</b>
	<hr/>	<hr/>	<hr/>

The above assets, with a net book value of £698,555 are pledged as security against the Trust's loans.

**8. Prepaid expenses**

	<b>2021</b>	<b>2020</b>
	£	£
Insurance costs	3,660	3,656
Other	88	85
	<u>3,748</u>	<u>3,741</u>
	<u><u>3,748</u></u>	<u><u>3,741</u></u>

**9. Creditors – Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£	£
Bank Loans (note 12)	6,604	6,361
Other creditors	7,128	5,364
Accrued expenses	3,816	4,040
Deferred income from Homes England grant	3,700	3,700
	<u>21,248</u>	<u>19,465</u>
	<u><u>21,248</u></u>	<u><u>19,465</u></u>

**10. Creditors – Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	£	£
Bank loans (note 12)	224,171	231,329
Loans from other institutions (note 12)	84,302	83,815
Deferred income from Homes England grant	539,234	542,933
	<u>847,707</u>	<u>858,077</u>
	<u><u>847,707</u></u>	<u><u>858,077</u></u>

The loans from other institutions are concessionary loans with interest rates below the prevailing market rate.



**11. Deferred Grant Income**

	<b>2021</b>	<b>2020</b>
	£	£
At 1 April	546,633	345,333
Received in the year	-	205,000
Released to income in year	<u>(3,700)</u>	<u>(3,700)</u>
At 31 March	<u>542,933</u>	<u>546,633</u>
Amounts to be released within 1 year	3,700	3,700
Amounts to be released in more than 1 yr	<u>539,233</u>	<u>542,933</u>
	<u>542,933</u>	<u>546,633</u>

**12. Bank loans and loans from other institutions**

	<b>2021</b>	<b>2020</b>
	£	£
Due within one year and on demand	6,604	6,361
Due after one year but less than two years	6,687	6,604
Due after two years but less than five years	21,630	21,362
Due after more than five years	<u>280,156</u>	<u>287,178</u>
	<u>315,077</u>	<u>321,505</u>

The aggregate amount of debt secured upon the intermediate rental properties and the share of shared ownership properties retained by the trust is £315,077

The loans bear interest in the range of 0% to 3.75% The instalment loan is repayable over 25 years and as at 31 March 2021 £280,156 of instalments were due after more than 5 years.

**13. Provisions for liabilities and charges**

	<b>2021</b>	<b>2020</b>
	£	£
Provision for future overhaul	<u>9,973</u>	<u>8,878</u>

Provisions for liabilities and charges comprise of amounts set aside for the future overhaul of the properties.

**14. Reserves**

	<b>Unrestricted general reserves</b>	<b>Total reserves</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April 2020	338,723	338,723
Surplus /(deficit) for year	7,780	7,780
At 31 March 2021	<u>346,503</u>	<u>346,503</u>

**15. Statement of Cash Flows from Operating Activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus for the year	7,780	263,725
Adjustment for non-cash items		
Depreciation	12,302	12,302
Increase in deferred income	-	205,000
Amortisation of government grant	(3,700)	(3,700)
(Increase) in prepayments	(7)	110
(Decrease)/increase in creditors	1,540	(2,326)
(Decrease) in loans	(6,427)	(5,623)
Increase in provisions	1,095	1,095
Adjustment for investing and financing activity		
Interest payable and other finance costs	7,763	13,768
Grants received	(22,095)	(467,530)
Interest received	(25)	(74)
Net cash generated from Operating activities	<u>(1,774)</u>	<u>16,747</u>

**15a Analysis of changes in net debt**

	<b>2020</b>	<b>Cash Flows</b>	<b>Other changes</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Long term borrowings	321,505	(6,428)	-	315,077
Total liabilities	<u>321,505</u>	<u>(6,428)</u>	<u>-</u>	<u>315,077</u>
Cash and cash equivalents	(510,545)	(12,583)	-	(523,128)
Total net debt	<u>(189,040)</u>	<u>(19,011)</u>	<u>-</u>	<u>(208,051)</u>

## 16. Accommodation in management

At the end of the year, accommodation in management for each type of property was as follows:

	2021	2020
Shared ownership	4	4
Intermediate rent	4	4
	<u>8</u>	<u>8</u>
	<u>8</u>	<u>8</u>

## 17. Company limited by guarantee

Wickham Community Land Trust is a company limited by guarantee and has no share capital. As at 31st March 2021 there were 9 (nine) members. Every member promises, if the Company is wound-up, to contribute such sum (not exceeding £10) as may be demanded of him or her towards any deficit.

## 18. Director Information

No remuneration was paid to the Directors during the year (2020: £nil).

## 19. Capital commitments

At 31st March 2021 there were no capital commitments (2020: none).

## 20. Related parties

During the year, no expenses were reimbursed to trustees (2020: £357 to 2 trustees). No expenses were reimbursed to a company in which a trustee has an interest.

## 21. Ultimate controlling party

Wickham Community Land Trust is ultimately controlled by the board of Trustees.

## 22. Financial instruments

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

	2021 £	2020 £
Financial assets measured at amortised cost:		
- Cash at bank and in hand	523,128	510,545
	<u>523,128</u>	<u>510,545</u>

Financial liabilities measured at amortised cost

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- Other creditors (note 9)	7,128	5,364
- Bank and other Loans (note 12)	315,077	321,504
	<u>322,205</u>	<u>326,868</u>

The total interest income for financial assets that are measured at amortised cost was £25 (2020: £74).  
The total interest and finance expense for financial liabilities that are measured at amortised cost was £7,763 (2020: £13,768)