

06608621

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Annual Report and Financial Statements for the year ended

31 March 2022

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 2022.

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. (Note: (Note: since the year end, the civil parish of Wickham has been re-named "Wickham and Knowle", the boundaries of which are co-terminus with those of Wickham parish at the grant of the Trust's charitable status. All references in this report and future references to "Wickham" therefore relate to the parish of "Wickham and Knowle").

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

- WCLTs 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 24 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 2021/2022.

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.

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

		2021/22	2020/21
Metric 3	Gearing	(0.28)	(0.26)
Metric 4	EBITDA MRI interest cover	2.97	0.26
Metric 5	Social Housing cost (per 8 units owned)	£4,671	£7,182
Metric 6	Operating Margin	0.25	0.30
Metric 7	Return on Capital Employed	0.01	0.01

Metrics 1 and 2 - Reinvestment and New Supply - were not used as there was no relevant activity in these periods. Metric 4 was low in the previous year because the Trust incurred significant expenditure in relation to the acquisition of additional housing properties which were not completed during the year. Ninety per cent of this revenue expenditure was covered by government grants but grants are excluded in calculating this metric.

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 2021/22 WCLT applied rent increases between 0.5% and 1.25% to its intermediate rent properties and a 1.25% rise to its shared ownership properties in order to maintain affordability, although the Rent Standard guideline would have allowed higher increases. The Trust was mindful of the

economic strain on tenants' budgets as a result of the pandemic and kept rent increases to a minimum.

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 30th November 2021 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 Wykeham Vale. It was planned that these homes would become available during the financial year but delays in construction encountered by the developer (Croudace Homes Ltd) as a result of the pandemic, loss of workers returning to the EU after Brexit and supply constraints meant that there were no completions during the year. The properties will become available in FY 2022/23. All arrangements to finance the purchases, however, were completed during the year, as anticipated in the report for the previous year. Loan finance was arranged in principle with Triodos Bank (long-term loan) which supplemented grant funding from Winchester City Council and South Downs National Park, the remainder coming from reserves, most notably boosted by a £250,000 donation from the estate of a local businessman. The necessary documentation to complete the purchases and the financial underpinning was all completed before the year end. The Trust has participated with the developer and Aster Homes (from whom the properties will be purchased) in regular project progress meetings throughout the year. Relations with

these parties has been consistently cordial and constructive ensuring that quality of construction and finish is expected to be to the Trust's specification when eventually completed. As noted in 2.2.2 above, a revenue grant from the Community Housing Fund through Homes England covered much of the pre-development costs incurred by the Trust but had not been fully utilised by year end and so a repayment of the money unused was necessary in the early part of the following year. The Trust will pay the necessary costs incurred as a result of the repayment, out of reserves, boosted as they have been by the significant donation received during the year, without jeopardising in any way the Trust's financial security.

Much work was completed during the year in terms of financial modelling to ensure that the new homes to be purchased in Wykeham Vale could be financed without over-straining financial resources and especially to model income from rent on these homes in accordance with the terms of the s106 which requires the homes to be let at no more than Local Housing Allowance and thus be "affordable" according to Homes England requirements. In that respect, to comply with Homes England requirements to register as eligible to charge affordable rents, the Trust applied to be an investment partner in the Wayfarer Consortium of organisations. Membership was granted in February 2022 making the Trust part of the consortium's contract with Homes England that runs until 2026.

In addition to growth and expansion objectives the 2020-2022 objectives include the intent to increase the 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.

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 £5,348 (2020/21 surplus of £7,780).

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 this payment fell just outside the Financial Year, in April '22. The sums are carried forward in anticipation of the transaction being completed successfully during FY 2022/23. 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.

Cash has remained high during the year as a result of the delays in completing the purchase of homes in Wykeham Vale.

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 2022 the Trust held reserves of £351,851 (2020/21: £346,503). The reserves held at the end of the Financial Year are the equivalent of 113 months' operating expenditure.

3.3 Principal Funding Sources

3.3.1 Lenders in the period were as follows:

- Charity Bank
- Winchester City Council
- Hyde Group

3.3.2 Donations:

- None

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.
- 3.5.3 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 by the end of the financial year it was becoming clear that interest rates would rise, led by changes to Bank of England base rate. Lending arrangements made with Triodos Bank regarding Wykeham Vale property purchases are at 3.0% above base rate. Continuous modelling conducted during the year demonstrates that existing and new business can still return surpluses even at base interest rates rising up to circa 2.0%. Above that level it may be necessary to discuss remedial arrangements with lenders
- 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 in past years from the availability of the Community Housing Fund (CHF). The Trust has continued during the year to try to persuade the government to expand provision of grants for which it might be eligible but in view of the worsening economic climate it is unlikely to see a positive result.
- 3.6.6 The Government has absolved Community Land Trusts from the right to buy that affects other forms of affordable housing provider. If this were to change it would impact the Trust's charitable objects and so this risk is constantly under review.

3.7 Investment

As part of the original loan terms with Charity Bank, WCLT has £8,443 (20120/21: £8,426) 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.
- 3.9.2 The Trust has entered into a purchase contract with Aster Homes for the purchase of the 10 homes in Wykeham Vale and looks forward to allocating deserving tenants to the properties in 2022/23.

3.10 Plans for the forthcoming year

In addition to the ongoing management of WCLT's existing properties, the Trust's activities in 2022/2023 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, were flagged in last year's report. The Trust will continue to pursue these in the next period.
- 3.10.3 WCLT has continued its 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.
- 3.10.6 The Trust will be mounting a campaign to inform more widely local people of the Trust's work, start a "friends" of WCLT group and encourage donations.

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 **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+.
- 4.6.3 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.
- 4.6.4 **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)

4.6.5 **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.

4.6.6 **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.

4.6.7 **National CLT Network (NCLT)** WCLT is a member and both benefits from this membership and actively supports the NCLT in its work.

4.6.8 **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.

4.6.9 **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 2020.

4.6.10 **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

Charity Name:	Wickham Community Land Trust
Charity Registration Number:	1134897
Homes England Registered Provider:	4692
Company Registration Number:	06608621

Registered Office and operational address: The Old Post Office,
Station Road Wickham, Hampshire.
PO17 5JA.

Correspondence address: 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: Capt A. R. Robinson, RN

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) 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 2021.

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 and frustration. The Trust has concentrated on managing its properties as well as possible for the individual residents and with regard to the long-term aims of the Trust. But frustration has been caused by the delays in completion and purchase of the 10 homes in Wykeham vale, for reasons covered above.

From a sound financial base, WCLT has been able, however, to maintain its interest in the new properties and these will come into the CLT's possession in FY 2022/23. WCLT's involvement in community led housing will remain crucial to this community because it is able 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:

- ensure continuity in meeting the needs of beneficiaries and the Charity's financial obligations
- 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



20 September 2022

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 2022 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 2022, 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 reportⁱ, 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...)

Directors' responsibilities

As explained more fully in the directors' responsibilities statement set out on pages 14 and 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.

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

- 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. This description forms part of our auditor's report.

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

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.



29 September 2022

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 2022

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Comprehensive Income

For the year ended 31 March 2022

		2022	2021
	Note	£	£
Turnover	2	50,427	72,925
Operating expenditure	2	(37,371)	(57,457)
Operating Surplus		13,056	15,468
Interest receivable and other income	3	18	75
Interest payable and financing costs		(7,726)	(7,763)
(Deficit)/Surplus on ordinary activities before taxation	4	5,348	7,780
Taxation	5	-	-
(Deficit)/Surplus for the year and total comprehensive income	14	5,348	7,780

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 20 September 2022 and signed on their behalf by



Nicol Holladay
Chairman & Director



Geoffrey Phillpotts
Director

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897


Statement of Financial Position

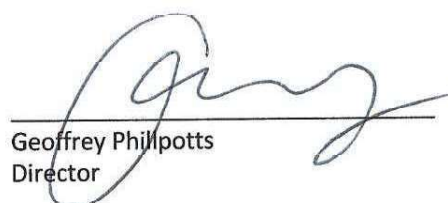
As at 31 March 2022

		31 March 2022	31 March 2021
	Note	£	£
Fixed assets			
Tangible fixed assets	7	686,253	698,555
Current assets			
Prepaid expenses	8	3,969	3,748
Cash at bank and in hand		531,572	523,128
		535,541	526,876
Creditors – Amounts falling due within one year	9	(226,526)	(21,248)
Net current assets		309,015	505,628
Total assets less current liabilities		995,268	1,204,183
Creditors – Amounts falling due after more than one year	10	(632,349)	(847,707)
Provisions for liabilities	13	(11,068)	(9,973)
Total Net assets		351,851	346,503
Reserves			
Income and expenditure reserve	14	351,851	346,503
Total Reserves		351,851	346,503

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 20 September 2022 and are signed on their behalf by


Nicol Holladay
Chairman & Director


Geoffrey Philippotts
Director

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

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 £	2021 £
Net cash generated from operating activities	15	17,452	(1,774)
Cash Flow from Investing Activities			
Interest received		18	25
Cash Flow from Financing Activities			
Grants and donations received		(1,300)	22,095
Interest paid and other finance costs		(7,726)	(7,763)
Net change in cash and cash equivalents		8,444	12,583
Cash and cash equivalents at the start of the year		523,128	510,545
Cash and cash equivalents at the end of the year		531,572	523,128

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Changes in Reserves

	Income and expenditure reserve £	Total £
At 1 April 2020	338,723	74,998
Surplus for the year	7,780	263,725
Total comprehensive income	7,780	263,725
At 31 March 2021 and 1 April 2021	346,503	338,723
Surplus for the year	5,348	7,780
Total comprehensive income	5,348	7,780
At 31 March 2022	351,851	346,503

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.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

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.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

2. Income and Expenditure from Social Lettings

	2022	2021
	£	£
Turnover		
Intermediate rental income	31,697	31,408
Shared Ownership rental income	14,215	13,987
Homes England grant taken as income	3,700	3,700
Homes England revenue grant	(1,300)	22,045
Charges for support services	2,115	1,785
	<u>50,427</u>	<u>72,925</u>
Expenditure		
Maintenance costs	(3,374)	(6,666)
Insurance	(4,160)	(4,186)
Void costs	-	-
Property Management Costs	(2,662)	(2,638)
Other costs	(27,175)	(43,967)
	<u>(37,371)</u>	<u>(57,547)</u>

Rental income is stated net of identifiable service charges.

3. Interest receivable and other income

	2022	2021
	£	£
Interest receivable	18	25
Insurance claims	-	-
Donations & grants received	<u>-</u>	<u>50</u>
	<u>18</u>	<u>75</u>

4. Surplus on ordinary activities

This is stated after charging:

	2022	2021
	£	£
Auditor's remuneration – for audit services	3,948	3,924
Auditor's remuneration – non-audit services	360	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. (2021: £nil). The charity had no employees in the current or previous year.

7. Tangible fixed assets

	Freehold Land and Buildings - Intermediate Rent	Freehold Land and Buildings - Shared Ownership	Total
	£	£	£
Cost			
At beginning of year	495,007	310,166	805,173
Additions	-	-	-
	<u>495,007</u>	<u>310,166</u>	<u>805,173</u>
At end of year	495,007	310,166	805,173
	<u>495,007</u>	<u>310,166</u>	<u>805,173</u>
Depreciation			
At beginning of year	(66,873)	(39,745)	(106,618)
Charge for year	(7,716)	(4,586)	(12,302)
	<u>(74,589)</u>	<u>(44,331)</u>	<u>(118,920)</u>
At end of year	(74,589)	(44,331)	(118,920)
	<u>(74,589)</u>	<u>(44,331)</u>	<u>(118,920)</u>
Net book value			
At 31st March 2022	420,418	265,835	686,253
	<u>420,418</u>	<u>265,835</u>	<u>686,253</u>
At 31 st March 2021	428,134	270,421	698,555
	<u>428,134</u>	<u>270,421</u>	<u>698,555</u>

The above assets, with a net book value of £686,253 are pledged as security against the Trust's loans.

8. Prepaid expenses

	2022	2021
	£	£
Insurance costs	3,879	3,660
Other	90	88
	<u>3,969</u>	<u>3,748</u>

9. Creditors – Amounts falling due within one year

	2022	2021
	£	£
Bank Loans (note 12)	6,687	6,604
Other creditors	7,191	7,128
Accrued expenses	3,948	3,816
Deferred income from Homes England grant	3,700	3,700
Deferred grant from WInchester City Council	205,000	-
	<u>226,526</u>	<u>21,248</u>

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

	2022	2021
	£	£
Bank loans (note 12)	217,022	224,171
Loans from other institutions (note 12)	84,794	84,302
Deferred income from grants (note 11)	330,533	539,234
	<u>632,349</u>	<u>847,707</u>

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

11. Deferred Grant Income

	2022	2021
	£	£
At 1 April	542,933	546,633
Received in the year	-	-
Released to income in year	<u>(3,700)</u>	<u>(3,700)</u>
At 31 March	<u>539,233</u>	<u>542,933</u>
Amounts to be released within 1 year	208,700	3,700
Amounts to be released in more than 1 yr	<u>330,533</u>	<u>539,233</u>
	<u>539,233</u>	<u>542,933</u>

12. Bank loans and loans from other institutions

	2022	2021
	£	£
Due within one year and on demand	6,687	6,604
Due after one year but less than two years	6,942	6,687
Due after two years but less than five years	22,455	21,630
Due after more than five years	<u>272,418</u>	<u>280,156</u>
	<u>308,502</u>	<u>315,077</u>

The aggregate amount of debt secured upon the intermediate rental properties and the share of shared ownership properties retained by the trust is £308,502

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 2022 £272,418 of instalments were due after more than 5 years.

13. Provisions for liabilities and charges

	2022	2021
	£	£
Provision for future overhaul	<u>11,068</u>	<u>9,973</u>

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

14. Reserves

	Unrestricted general reserves	Total reserves
	£	£
Balance as at 1 April 2021	346,503	346,503
Surplus /(deficit) for year	5,348	5,348
At 31 March 2022	<u>351,851</u>	<u>351,851</u>

15. Statement of Cash Flows from Operating Activities

	2022 £	2021 £
Surplus for the year	5,348	7,780
Adjustment for non-cash items		
Depreciation	12,302	12,302
Increase in deferred income	-	-
Amortisation of government grant	(3,700)	(3,700)
(Increase) in prepayments	(221)	(7)
(Decrease)/increase in creditors	195	1,540
(Decrease) in loans	(6,575)	(6,427)
Increase in provisions	1,095	1,095
Adjustment for investing and financing activity		
Interest payable and other finance costs	7,726	7,763
Grants repaid/(received)	1,300	(22,095)
Interest received	(18)	(25)
Net cash generated from Operating activities	<u>(17,452)</u>	<u>(1,774)</u>

15a Analysis of changes in net debt

	2021 £	Cash Flows £	Other changes £	2022 £
Long term borrowings	315,077	(6,575)	-	308,502
Total liabilities	<u>315,077</u>	<u>(6,575)</u>	-	<u>308,502</u>
Cash and cash equivalents	(523,128)	(8,444)	-	(531,572)
Total net debt	<u>(208,051)</u>	<u>(15,019)</u>	-	<u>(223,070)</u>

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

16. Accommodation in management

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

	2022	2021
Shared ownership	4	4
Intermediate rent	4	4
	<hr/>	<hr/>
	8	8
	<hr/>	<hr/>

17. Company limited by guarantee

Wickham Community Land Trust is a company limited by guarantee and has no share capital. As at 31st March 2022 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 (2021: £nil).

19. Capital commitments

At 31st March 2022 there were no capital commitments (2021: none).

20. Related parties

During the year, no expenses were reimbursed to trustees (2021: £nil). 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:

	2022 £	2021 £
Financial assets measured at amortised cost:		
- Cash at bank and in hand	531,572	523,128
	<u>531,572</u>	<u>523,128</u>
Financial liabilities measured at amortised cost		
- Other creditors (note 9)	7,191	7,128
- Bank and other Loans (note 12)	308,502	315,077
	<u>315,693</u>	<u>322,205</u>

The total interest income for financial assets that are measured at amortised cost was £18 (2021: £25).
The total interest and finance expense for financial liabilities that are measured at amortised cost was £7,726 (2021: £7,763)

06608621

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Annual Report and Financial Statements for the year ended

31 March 2022

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 2022.

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. (Note: (Note: since the year end, the civil parish of Wickham has been re-named "Wickham and Knowle", the boundaries of which are co-terminus with those of Wickham parish at the grant of the Trust's charitable status. All references in this report and future references to "Wickham" therefore relate to the parish of "Wickham and Knowle").

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

- WCLTs 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 24 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 2021/2022.

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.

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

		2021/22	2020/21
Metric 3	Gearing	(0.28)	(0.26)
Metric 4	EBITDA MRI interest cover	2.97	0.26
Metric 5	Social Housing cost (per 8 units owned)	£4,671	£7,182
Metric 6	Operating Margin	0.25	0.30
Metric 7	Return on Capital Employed	0.01	0.01

Metrics 1 and 2 - Reinvestment and New Supply - were not used as there was no relevant activity in these periods. Metric 4 was low in the previous year because the Trust incurred significant expenditure in relation to the acquisition of additional housing properties which were not completed during the year. Ninety per cent of this revenue expenditure was covered by government grants but grants are excluded in calculating this metric.

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 2021/22 WCLT applied rent increases between 0.5% and 1.25% to its intermediate rent properties and a 1.25% rise to its shared ownership properties in order to maintain affordability, although the Rent Standard guideline would have allowed higher increases. The Trust was mindful of the

economic strain on tenants' budgets as a result of the pandemic and kept rent increases to a minimum.

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 30th November 2021 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 Wykeham Vale. It was planned that these homes would become available during the financial year but delays in construction encountered by the developer (Croudace Homes Ltd) as a result of the pandemic, loss of workers returning to the EU after Brexit and supply constraints meant that there were no completions during the year. The properties will become available in FY 2022/23. All arrangements to finance the purchases, however, were completed during the year, as anticipated in the report for the previous year. Loan finance was arranged in principle with Triodos Bank (long-term loan) which supplemented grant funding from Winchester City Council and South Downs National Park, the remainder coming from reserves, most notably boosted by a £250,000 donation from the estate of a local businessman. The necessary documentation to complete the purchases and the financial underpinning was all completed before the year end. The Trust has participated with the developer and Aster Homes (from whom the properties will be purchased) in regular project progress meetings throughout the year. Relations with

these parties has been consistently cordial and constructive ensuring that quality of construction and finish is expected to be to the Trust's specification when eventually completed. As noted in 2.2.2 above, a revenue grant from the Community Housing Fund through Homes England covered much of the pre-development costs incurred by the Trust but had not been fully utilised by year end and so a repayment of the money unused was necessary in the early part of the following year. The Trust will pay the necessary costs incurred as a result of the repayment, out of reserves, boosted as they have been by the significant donation received during the year, without jeopardising in any way the Trust's financial security.

Much work was completed during the year in terms of financial modelling to ensure that the new homes to be purchased in Wykeham Vale could be financed without over-straining financial resources and especially to model income from rent on these homes in accordance with the terms of the s106 which requires the homes to be let at no more than Local Housing Allowance and thus be "affordable" according to Homes England requirements. In that respect, to comply with Homes England requirements to register as eligible to charge affordable rents, the Trust applied to be an investment partner in the Wayfarer Consortium of organisations. Membership was granted in February 2022 making the Trust part of the consortium's contract with Homes England that runs until 2026.

In addition to growth and expansion objectives the 2020-2022 objectives include the intent to increase the 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.

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 £5,348 (2020/21 surplus of £7,780).

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 this payment fell just outside the Financial Year, in April '22. The sums are carried forward in anticipation of the transaction being completed successfully during FY 2022/23. 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.

Cash has remained high during the year as a result of the delays in completing the purchase of homes in Wykeham Vale.

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 2022 the Trust held reserves of £351,851 (2020/21: £346,503). The reserves held at the end of the Financial Year are the equivalent of 113 months' operating expenditure.

3.3 Principal Funding Sources

3.3.1 Lenders in the period were as follows:

- Charity Bank
- Winchester City Council
- Hyde Group

3.3.2 Donations:

- None

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.
- 3.5.3 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 by the end of the financial year it was becoming clear that interest rates would rise, led by changes to Bank of England base rate. Lending arrangements made with Triodos Bank regarding Wykeham Vale property purchases are at 3.0% above base rate. Continuous modelling conducted during the year demonstrates that existing and new business can still return surpluses even at base interest rates rising up to circa 2.0%. Above that level it may be necessary to discuss remedial arrangements with lenders
- 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 in past years from the availability of the Community Housing Fund (CHF). The Trust has continued during the year to try to persuade the government to expand provision of grants for which it might be eligible but in view of the worsening economic climate it is unlikely to see a positive result.
- 3.6.6 The Government has absolved Community Land Trusts from the right to buy that affects other forms of affordable housing provider. If this were to change it would impact the Trust's charitable objects and so this risk is constantly under review.

3.7 Investment

As part of the original loan terms with Charity Bank, WCLT has £8,443 (20120/21: £8,426) 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.
- 3.9.2 The Trust has entered into a purchase contract with Aster Homes for the purchase of the 10 homes in Wykeham Vale and looks forward to allocating deserving tenants to the properties in 2022/23.

3.10 Plans for the forthcoming year

In addition to the ongoing management of WCLT's existing properties, the Trust's activities in 2022/2023 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, were flagged in last year's report. The Trust will continue to pursue these in the next period.
- 3.10.3 WCLT has continued its 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.
- 3.10.6 The Trust will be mounting a campaign to inform more widely local people of the Trust's work, start a "friends" of WCLT group and encourage donations.

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 **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+.
- 4.6.3 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.
- 4.6.4 **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)

4.6.5 **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.

4.6.6 **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.

4.6.7 **National CLT Network (NCLT)** WCLT is a member and both benefits from this membership and actively supports the NCLT in its work.

4.6.8 **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.

4.6.9 **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 2020.

4.6.10 **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

Charity Name:	Wickham Community Land Trust
Charity Registration Number:	1134897
Homes England Registered Provider:	4692
Company Registration Number:	06608621

Registered Office and operational address: The Old Post Office,
Station Road Wickham, Hampshire.
PO17 5JA.

Correspondence address: 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: Capt A. R. Robinson, RN

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) 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 2021.

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 and frustration. The Trust has concentrated on managing its properties as well as possible for the individual residents and with regard to the long-term aims of the Trust. But frustration has been caused by the delays in completion and purchase of the 10 homes in Wykeham vale, for reasons covered above.

From a sound financial base, WCLT has been able, however, to maintain its interest in the new properties and these will come into the CLT's possession in FY 2022/23. WCLT's involvement in community led housing will remain crucial to this community because it is able 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:

- ensure continuity in meeting the needs of beneficiaries and the Charity's financial obligations
- 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



20 September 2022

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 2022 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 2022, 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 reportⁱ, 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...)

Directors' responsibilities

As explained more fully in the directors' responsibilities statement set out on pages 14 and 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.

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

- 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. This description forms part of our auditor's report.

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

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.



29 September 2022

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 2022

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Comprehensive Income


For the year ended 31 March 2022

		2022	2021
	Note	£	£
Turnover	2	50,427	72,925
Operating expenditure	2	(37,371)	(57,457)
Operating Surplus		13,056	15,468
Interest receivable and other income	3	18	75
Interest payable and financing costs		(7,726)	(7,763)
(Deficit)/Surplus on ordinary activities before taxation	4	5,348	7,780
Taxation	5	-	-
(Deficit)/Surplus for the year and total comprehensive income	14	5,348	7,780

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 20 September 2022 and signed on their behalf by



Nicol Holladay
Chairman & Director



Geoffrey Phillpotts
Director

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897


Statement of Financial Position

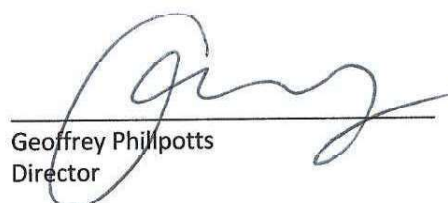
As at 31 March 2022

	Note	31 March 2022	31 March 2021
		£	£
Fixed assets			
Tangible fixed assets	7	686,253	698,555
Current assets			
Prepaid expenses	8	3,969	3,748
Cash at bank and in hand		531,572	523,128
		535,541	526,876
Creditors – Amounts falling due within one year	9	(226,526)	(21,248)
Net current assets		309,015	505,628
Total assets less current liabilities		995,268	1,204,183
Creditors – Amounts falling due after more than one year	10	(632,349)	(847,707)
Provisions for liabilities	13	(11,068)	(9,973)
Total Net assets		351,851	346,503
Reserves			
Income and expenditure reserve	14	351,851	346,503
Total Reserves		351,851	346,503

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 20 September 2022 and are signed on their behalf by


Nicol Holladay
Chairman & Director


Geoffrey Philippotts
Director

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

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 £	2021 £
Net cash generated from operating activities	15	17,452	(1,774)
Cash Flow from Investing Activities			
Interest received		18	25
Cash Flow from Financing Activities			
Grants and donations received		(1,300)	22,095
Interest paid and other finance costs		(7,726)	(7,763)
Net change in cash and cash equivalents		8,444	12,583
Cash and cash equivalents at the start of the year		523,128	510,545
Cash and cash equivalents at the end of the year		531,572	523,128

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Changes in Reserves

	Income and expenditure reserve £	Total £
At 1 April 2020	338,723	74,998
Surplus for the year	7,780	263,725
Total comprehensive income	7,780	263,725
At 31 March 2021 and 1 April 2021	346,503	338,723
Surplus for the year	5,348	7,780
Total comprehensive income	5,348	7,780
At 31 March 2022	351,851	346,503

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.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

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.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

2. Income and Expenditure from Social Lettings

	2022	2021
	£	£
Turnover		
Intermediate rental income	31,697	31,408
Shared Ownership rental income	14,215	13,987
Homes England grant taken as income	3,700	3,700
Homes England revenue grant	(1,300)	22,045
Charges for support services	2,115	1,785
	<u>50,427</u>	<u>72,925</u>
Expenditure		
Maintenance costs	(3,374)	(6,666)
Insurance	(4,160)	(4,186)
Void costs	-	-
Property Management Costs	(2,662)	(2,638)
Other costs	(27,175)	(43,967)
	<u>(37,371)</u>	<u>(57,547)</u>

Rental income is stated net of identifiable service charges.

3. Interest receivable and other income

	2022	2021
	£	£
Interest receivable	18	25
Insurance claims	-	-
Donations & grants received	<u>-</u>	<u>50</u>
	<u>18</u>	<u>75</u>

4. Surplus on ordinary activities

This is stated after charging:

	2022	2021
	£	£
Auditor's remuneration – for audit services	3,948	3,924
Auditor's remuneration – non-audit services	360	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. (2021: £nil). The charity had no employees in the current or previous year.

7. Tangible fixed assets

	Freehold Land and Buildings - Intermediate Rent	Freehold Land and Buildings - Shared Ownership	Total
	£	£	£
Cost			
At beginning of year	495,007	310,166	805,173
Additions	-	-	-
	<u>495,007</u>	<u>310,166</u>	<u>805,173</u>
At end of year	495,007	310,166	805,173
	<u>495,007</u>	<u>310,166</u>	<u>805,173</u>
Depreciation			
At beginning of year	(66,873)	(39,745)	(106,618)
Charge for year	(7,716)	(4,586)	(12,302)
	<u>(74,589)</u>	<u>(44,331)</u>	<u>(118,920)</u>
At end of year	(74,589)	(44,331)	(118,920)
	<u>(74,589)</u>	<u>(44,331)</u>	<u>(118,920)</u>
Net book value			
At 31st March 2022	420,418	265,835	686,253
	<u>420,418</u>	<u>265,835</u>	<u>686,253</u>
At 31 st March 2021	428,134	270,421	698,555
	<u>428,134</u>	<u>270,421</u>	<u>698,555</u>

The above assets, with a net book value of £686,253 are pledged as security against the Trust's loans.

8. Prepaid expenses

	2022	2021
	£	£
Insurance costs	3,879	3,660
Other	90	88
	<u>3,969</u>	<u>3,748</u>

9. Creditors – Amounts falling due within one year

	2022	2021
	£	£
Bank Loans (note 12)	6,687	6,604
Other creditors	7,191	7,128
Accrued expenses	3,948	3,816
Deferred income from Homes England grant	3,700	3,700
Deferred grant from WInchester City Council	205,000	-
	<u>226,526</u>	<u>21,248</u>

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

	2022	2021
	£	£
Bank loans (note 12)	217,022	224,171
Loans from other institutions (note 12)	84,794	84,302
Deferred income from grants (note 11)	330,533	539,234
	<u>632,349</u>	<u>847,707</u>

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

11. Deferred Grant Income

	2022	2021
	£	£
At 1 April	542,933	546,633
Received in the year	-	-
Released to income in year	<u>(3,700)</u>	<u>(3,700)</u>
At 31 March	<u>539,233</u>	<u>542,933</u>
Amounts to be released within 1 year	208,700	3,700
Amounts to be released in more than 1 yr	<u>330,533</u>	<u>539,233</u>
	<u>539,233</u>	<u>542,933</u>

12. Bank loans and loans from other institutions

	2022	2021
	£	£
Due within one year and on demand	6,687	6,604
Due after one year but less than two years	6,942	6,687
Due after two years but less than five years	22,455	21,630
Due after more than five years	<u>272,418</u>	<u>280,156</u>
	308,502	315,077
	<u>308,502</u>	<u>315,077</u>

The aggregate amount of debt secured upon the intermediate rental properties and the share of shared ownership properties retained by the trust is £308,502

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 2022 £272,418 of instalments were due after more than 5 years.

13. Provisions for liabilities and charges

	2022	2021
	£	£
Provision for future overhaul	<u>11,068</u>	<u>9,973</u>

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

14. Reserves

	Unrestricted general reserves	Total reserves
	£	£
Balance as at 1 April 2021	346,503	346,503
Surplus /(deficit) for year	5,348	5,348
At 31 March 2022	<u>351,851</u>	<u>351,851</u>

15. Statement of Cash Flows from Operating Activities

	2022	2021
	£	£
Surplus for the year	5,348	7,780
Adjustment for non-cash items		
Depreciation	12,302	12,302
Increase in deferred income	-	-
Amortisation of government grant	(3,700)	(3,700)
(Increase) in prepayments	(221)	(7)
(Decrease)/increase in creditors	195	1,540
(Decrease) in loans	(6,575)	(6,427)
Increase in provisions	1,095	1,095
Adjustment for investing and financing activity		
Interest payable and other finance costs	7,726	7,763
Grants repaid/(received)	1,300	(22,095)
Interest received	(18)	(25)
Net cash generated from Operating activities	<u>(17,452)</u>	<u>(1,774)</u>

15a Analysis of changes in net debt

	2021	Cash Flows	Other changes	2022
	£	£	£	£
Long term borrowings	315,077	(6,575)	-	308,502
Total liabilities	<u>315,077</u>	<u>(6,575)</u>	-	<u>308,502</u>
Cash and cash equivalents	(523,128)	(8,444)	-	(531,572)
Total net debt	<u>(208,051)</u>	<u>(15,019)</u>	-	<u>(223,070)</u>

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2022

Company Reg. No: 06608621

Charity Number: 1134897

16. Accommodation in management

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

	2022	2021
Shared ownership	4	4
Intermediate rent	4	4
	<hr/>	<hr/>
	8	8
	<hr/>	<hr/>

17. Company limited by guarantee

Wickham Community Land Trust is a company limited by guarantee and has no share capital. As at 31st March 2022 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 (2021: £nil).

19. Capital commitments

At 31st March 2022 there were no capital commitments (2021: none).

20. Related parties

During the year, no expenses were reimbursed to trustees (2021: £nil). 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:

	2022 £	2021 £
Financial assets measured at amortised cost:		
- Cash at bank and in hand	531,572	523,128
	<u>531,572</u>	<u>523,128</u>
Financial liabilities measured at amortised cost		
- Other creditors (note 9)	7,191	7,128
- Bank and other Loans (note 12)	308,502	315,077
	<u>315,693</u>	<u>322,205</u>

The total interest income for financial assets that are measured at amortised cost was £18 (2021: £25).
The total interest and finance expense for financial liabilities that are measured at amortised cost was £7,726 (2021: £7,763)

SAS/SD/WI054

29 September 2022

The Trustees
The Wickham Community Land Trust
25 Dairymoor
Wickham
Hampshire
PO17 5JR

Dear Sirs

In accordance with our normal practice, we are writing to draw your attention to various matters which arose during the course of our audit of the charitable company's accounts for the year ended 31 March 2022:-

1. We have no comments to make concerning the qualitative aspects of the entity's accounting practices and financial reporting.
2. We did not encounter any significant difficulties during the audit and there are no significant findings from the audit to draw to your attention.
3. A draft of our proposed letter of representation is attached. We draw your attention to paragraphs 21, 24, 25, and 26. In other respects the letter is routine.
4. A schedule is attached of all the unadjusted misstatements determined during the course of our audit, except for those considered to be clearly trivial. You have advised us that your reasons for not adjusting the financial statements in respect of these misstatements are that they are not material.
For your information we also attach a schedule of adjustments that you agreed should be processed when finalising the accounts.
5. As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts. We did not identify any significant weaknesses during the course of our audit.
6. We do not propose any modifications to our audit opinion and hence will be issuing a clean audit report.
7. We have confirmed to you that the firm does not provide any services to you which may affect our independence.

Rothmans Audit
Statutory Auditors &
Chartered Accountants
Avebury House
St Peter Street
Winchester
Hampshire
SO23 8BN

The firm and the audit engagement team have therefore complied with relevant ethical requirements concerning independence and we confirm that we are independent and able to express an objective opinion on the financial statements.

We would like to take this opportunity of expressing our thanks to you for your assistance during the course of our audit.

Please note that this report has been prepared for the sole use of the Wickham Community Land Trust. With the exception of the Homes and Communities Regulation Committee, it must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

The purpose of the audit was to enable us to express an opinion on the financial statements. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported above are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.

If we can be of any further assistance, please contact Sue Sullivan.

Yours faithfully

A handwritten signature in black ink that reads "Rothmans Audit LLP". The signature is written in a cursive, flowing style. Below the signature is a single horizontal line.

Rothmans Audit LLP

SCHEDULE OF ADJUSTED MISSTATEMENTS

During the audit, we identified two misstatements, which you have agreed to adjust in the final accounts.

Narrative	DR	CR	SOFA (I&E)	Balance sheet
Deferred Income AOY	205,000.00			205,000.00
Deferred Income WOY		205,000.00		(205,000.00)
<i>Being reclassification of grant income for property purchase made after year-end as due within one year</i>				
Maintenance		33.14	(33.14)	
Admin Charges		437.40	(437.40)	
Marketing	470.54		470.54	
<i>Being correction to classification of marketing costs</i>				
	205,470.54	205,470.54	-	-

SCHEDULE OF UNADJUSTED MISSTATEMENTS

During the audit we identified two misstatements which was above the clearly trivial threshold of £855, but which were not material to the financial statements. Management has not corrected these misstatements as they are not material in the context of the financial statements.

Narrative	Actual errors		SOFA (I&E)	Balance sheet
	DR	CR		
1 Service charges due to tenants	3,389.19			3,389.19
Provisions for liabilities		3,389.19		(3,389.19)
<i>Being provision for long term expenditure presented as amounts due to tenants</i>				
2 Accruals		2,197.39		(2,197.39)
Legal Fees	1,671.39		1,671.39	
Repairs	526.00		526.00	
<i>Being costs relating to FY2022 paid post year-end and not accrued</i>				
Total of potential adjustments	5,586.58	5,586.58	2,197.39	(2,197.39)