

**06608621**

**Wickham Community Land Trust**  
**A Registered Charity and Company Limited by Guarantee**  
**Annual Report and Financial Statements for the year ended**  
**31 March 2023**

**Company Registration Number: 06608621**  
**Registered Charity Number: 1134897**

**Registered Office:**  
**Byrne Runciman,**  
**The Square,**  
**Wickham, Hampshire.**  
**PO17 5JT**

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## **DIRECTORS' REPORT**

The directors present their annual report and the financial statements for the year ended 31 March 2023.

### **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: 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 43 individuals (adults and children) who qualify under the categories outlined in 1.3 above. This number is higher than the previous year (24) because the Trust acquired 10 new properties during the financial year, taking the total portfolio to 18 properties. There were few changes in tenant occupation during the year: one tenant in a 2 bedroom/3-person house, moved to one of the newly acquired properties offering 3 bed accommodation as the children were reaching an age requiring them to have separate bedrooms. One other tenant moved out to new accommodation elsewhere. There were, therefore, two voids but these each lasted less than a month as they were re-occupied by new tenants within a matter of weeks.

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 2022/2023.

### 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 Trust has ownership of 18 affordable properties at the end of the financial year. If further properties are acquired beyond this level, it will be necessary to put into place more formal arrangements, probably requiring part-time employment.

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 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, being a relatively small provider, such metrics have to be used with caution and broad comparisons are not reliable.

The Board feels that the following are relevant measures and we present our performance evaluation against each parameter:

		2022/23	2021/22
Metric 1	Reinvestment	0.66	-
Metric 2	New supply	0.56	-
Metric 3	Gearing	0.42	(0.28)
Metric 4	EBITDA MRI interest cover	0.65	2.97
Metric 5	Social Housing cost (per unit owned)	£4,581	£4,671
Metric 6	Operating Margin	0.07	0.25
Metric 7	Return on Capital Employed	0	0.01

Metrics 1 and 2 - Reinvestment and New Supply have been introduced this year following the purchase by WCLT of additional houses.



- 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 2022/23 WCLT applied a rent increase of 3.45% to its intermediate rent properties and an 8.6% 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 "cost of living crisis" and kept rent increases to a minimum but deliberately held rents lower than had been allowed in the previous year.

The ten new properties acquired in August 2022 (n=5) and January 2023 (n=5) are governed by the terms of an s106 agreement which pegs them to rents equal to Local Housing Allowance.

2.2.4 Home Standard

- i) Quality of accommodation: WCLT's 18 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 29<sup>th</sup> November 2022 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, Aster Homes, 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 of the Trust were reviewed during the year and the Board agreed that they were still valid and should be carried forward into the next planning period 2023 – 2025. Satisfactory progress was achieved in all the ongoing management objectives and the first five homes planned for

acquisition in Wykeham Vale were purchased in July 2022. 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 these were acquired some 10 months later than originally planned and many of the costs associated with the acquisition were incurred in the prior financial year. The delays in delivery meant that the remaining five homes agreed to be purchased were also not completed in the time planned, completion of the purchases eventually taking place in January 2023. Financing arrangements for these ten acquisitions (grants of £410,000 from Winchester City Council, £150,000 from South Downs National Park, and £250,000 from a legacy donation to the Trust, and loans from Triodos Bank totalling £844,160) were all in place before the start of the financial year and were executed as planned.

Detailed financial modelling was updated with each increase in the Bank of England base rate as the loan finance with Triodos Bank is on a variable basis of 3% above base. Because interest rates were rising with each month in the second half of the financial year, the Board agreed to supplement grant funds with £50,000 from reserves in order to reduce exposure to loan finance, reducing the total of Triodos loans to £794,160. Triodos required the Trust to meet two conditions for the two loans arranged with them. The first, Loan to Value (LTV) 75%, was shown always to be achievable because total loans required for the whole project represented only 50% of the total purchase price for all the units. The second criterion, however, repayment cover at 1.25, inevitably was affected by increases in interest rates. Modelling demonstrated that the Trust would be able to meet this requirement up to and including a Bank Rate of 3%. Above that figure, it was not possible to match the target and the base rate reached 4% in March 2023. Impact of this rate therefore had little effect in FY 2022/23. \*

Although not applicable to the Report for FY 2022/23 it is important that the Board should comment on the position as it has continued to evolve into the next financial year. The Board is pleased to report that as rates continued to rise during calendar year 2023, Triodos agreed that the larger of the two loans with them could be split into two with one of them being interest only for a period of 10 years. This arrangement, although not affecting the financial year period subject of this report, enabled the Board to agree to enter into the second tranche of finance in quarter 4 of FY 2022/23 in order to complete the purchase of the second group of five homes. The continued rises in interest rates is concerning but the Trust has assumed in its budget an average Bank Rate of 4% for FY23/24 which, assuming rates start to slow in the second half, should mean that overall financial outcome will be a manageable loss which can be covered by the strong reserves position held by the Trust. It will mean, however, that, until rates fall back, the repayment cover requirement of the Triodos loans will not be met and we will need the Bank to be flexible in their attitude to risk. The Board has received comfort in principle in this regard and it is to be hoped that reliance on reserves will not be prolonged. It should be noted, however, that cash reserves at the end of FY 2022/23 stood at £87,000, far higher than our 6-month operating costs policy and sufficient to withstand further rate rises and prolonged high rates. Nevertheless, this is not a comfortable position, and the Board continues to monitor the impacts in order to be ready to take action if necessary.

### **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 deficit for the year of £22,455 (2022 surplus of £5,348).

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 strong as a result of the Trust having received a high proportion of the acquisition costs for the properties in Wykeham Vale from grants and a determination not to utilise more than was necessary of a legacy donation of £250,000 received in the prior year. As a result the accounts record a free cash position of £87,000 at the end of the year. As a result of the interest rate rises outlined above, the P&L for the year will show for the first time in the Trust's history a marginal operating loss. Fortunately cash surpluses mean that this can be covered satisfactorily in the short-term but will cause concern and the need for action if rates continue higher than 3% for more than one financial year.

### **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 2022 and will be reviewed annually.

As at 31 March 2023 the Trust held reserves of £329,396 (2022: £351,851). The reserves held at the end of the Financial Year are the equivalent of 48 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
- Triodos Bank

#### 3.3.2 Donations:

- £1147 (2022 £nil)

### 3.4 Rental Income

3.4.1 Rental Income from the 14 rental properties and 4 shared ownership properties has provided a steady income throughout the financial year, enhanced inevitably by the additional 10 homes acquired during the year. Hence rental income was £37,000 higher than in the prior year. There were two void periods owing to tenants serving notice but neither of these lasted more than a few weeks. There were void periods for each of the new properties acquired on Wykeham Vale whilst we approved applications for tenancies, but, again, none of these were for more than a few weeks after the properties were acquired.

### 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. Operating expenditure was higher than in previous years reflecting the increased size of the housing portfolio and directly related administrative and legal expenses. However, the year showed an operating surplus of £10,399 (2022 £13,056)
- 3.5.2 Maintenance costs were significantly higher than we had budgeted because of the unplanned need to replace some appliances in older properties and the Board's decision to incur expenditure on some improved fittings in the new properties in the interests of our new tenants. The next highest component was one-off legal fees incurred in purchasing the Wykeham Vale properties. The Trust's budget for FY23/24 reflects a conservative attitude to the maintenance cost trend and is expected to return to a more normal pattern.
- 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. Risks are re-assessed at each Board meeting and increases in interest rates remain the single most significant risk to the business. The extent of this risk as it affects the Trust going into FY23/24 is discussed in detail in section 2.3. It will be essential for the Board to maintain good communication with, and the confidence of, our lenders. Fortunately, the value of our assets (c £4.5m) should be sufficient for our lenders to feel that their positions are sufficiently secure.
- 3.6.2 Succession planning features in the Trust's regular risk appraisal. This has allowed the Trust to secure the services of a new Company Secretary and a returning Trustee during the year.



- 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 Corona virus pandemic fortunately had little effect on our tenants but their circumstances were closely monitored and support offered to them should the need arise.
- 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). Despite the national need for affordable housing, the availability of funds to support organisations providing community led solutions is disappointing.
- 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 £8,465 (2022: £8,443) 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 launched "Friends of Wickham Community Land Trust" in January 2023 and is pleased to report that it has received donations from a small number of local people. The Trust intends to build on this start in years ahead.

### **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 in Houghton Gardens, were conducted in the last quarter of this report period, with implementation following in the subsequent reporting period.
- 3.9.2 The principal events affecting the Trust subsequent to this report period have been the increases in base interest rates. The effect of these and the longer-term impacts are discussed in section 2.3 above.

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

In addition to the ongoing management of WCLT's existing properties, the Trust's activities in 2023/2024 will be concentrated on:

- 3.10.1 Ensuring that risks related to interest rates and increases in costs of maintenance are kept under close scrutiny and action taken promptly and as appropriate.
- 3.10.2 Ensuring that tenancies in Wykeham Vale are managed successfully in the first year of their ownership and that all outstanding defects in the second tranche of homes purchased are satisfactorily completed within the 12-month post-acquisition period
- 3.10.3 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 the Annual Reports for the last two years. It is understood that issues regarding planning are likely to be resolved during FY23/24 and the Trust's participation will depend on the terms of financial provision by grant-making bodies

3.10.4 WCLT maintaining its excellent working arrangements with the managing agent, the City Council and the management companies responsible for common areas of sites on which its properties are situated.

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 continue its campaign to inform more widely local people of the Trust's work, and build further the Friends network. It will work to increase the likelihood of significant donations from local people to support its work

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

### **4.1 Governing Document**

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

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

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

### **4.3 Members and Membership**

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

There is one class of membership.

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

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

There have been no changes to the composition of the Trust Board during the year with the exception of the appointment of David Peters to replace Anthony Raymer as Trustee and Company Secretary.

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, David Peters (elected September 2022), 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, David Peters and Wendy Greenish to deal with individual housing matters and the allocation of properties. 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. The Board is sad to report that, subsequent to the year-end, one of its Trustees, Jane Isaac, passed away and another, Christopher Cook, has had to withdraw from active participation due to ill-health.

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 eight properties in Houghton Gardens have a market value well in excess of cost and these market values have been noted in the asset register. Properties in Wykeham Vale were independently valued as part of the purchase process and, although house prices have dropped since then, their market value remains well ahead of their purchase cost.

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 thirteen 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.

**4.5.10 Registered Office:** the Trust's registered office at The Old Post Office was changed after the end of the Report period because the relationship with the owner of the address changed by mutual consent and with full amicable agreement. The new Registered Office address was removed in May 2023 to the address of the Trust's managing agent for rental properties (Byrne Runciman – registered office details updated in Section 5 below).

**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 eight of 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 after some useful exchanges marked improvement has been witnessed. Information regarding projected Estate Charges (see section 6 below: Funds held as custodian trustees) is now improved enabling the Trust better to project financial commitments both for the Trust itself and for tenants in Houghton Gardens

**4.6.5 Wykeham Vale Management Company.** As part of the arrangements for the purchase of homes in Wykeham Vale, the Trust has entered into a joint agreement with Aster Homes for the management of common areas in the development. The arrangement will take full effect



in 2023/24 but advance notification of charges has been received in FY 202/23 and are considered reasonable. In the lead up to complete handover of its properties from the developer, relationships with the developer, Aster and their Employer's Agent, the Rund Partnership have been very helpful and constructive. There are two outstanding issues requiring resolution: the installation of lighting on parts of the site and a question regarding the wisdom of one of the boundary locations. It is anticipated that these will be resolved to all parties' satisfaction.

**4.6.6 Winchester City Council (WCC)**

WCLT's relationship with Winchester City Council continues to be supportive of the CLT's aims. The revised allocations policy – required to enable the Trust to comply with s106 conditions for Wykeham Vale – was agreed at the end of FY 2021/22 and has operated successfully during FY 2023/24..

**4.6.7 Radian Group:** WCLT is party to a service level agreement with the Local HomeBuy Agent, Radian (part of the Abri Group), 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. From 2023/4 the Government has replaced Help to Buy South with a national database and WCLT is in discussion with Winchester City Council regards future reporting for our intermediate rent and shared ownership properties.

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

**4.6.9 Information Commissioner and the Housing Ombudsman:** WCLT is registered with the former in respect of Data Protection and, as a provider of social housing, is registered with the Housing Ombudsman Service.

**4.6.10 Wickham Parish Council:** WCLT maintains its links with Wickham Parish Council with communications with the Clerk to the Parish Council and individual councillors and exhibited at the Parish Assembly in May 2022.

**4.6.11 Hampshire Home Choice:** as stated in 4.6.5 above, 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.

**4.6.12 Byrne Runciman:** the Trust's managing agent for rental properties. The firm collects rents from rental properties and is the first port of call for rental tenants for assistance. The relationship between the Trust and Byrne Runciman continues as strongly as ever and they provided great assistance during the short periods of voids experienced during the period and ensuring that homes purchased on Wykeham Vale were in exemplary order when the new tenants moved in. The relationship is an excellent example of local businesses working together for the good of the community.

## 5. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

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

### Board of Directors (as at September 2023):

Mr. N. A. Holladay	Chairman
Mr. G.S. Phillpotts	Vice Chairman
The Reverend A. J. Smith	Finance Director
Mr. D. Peters	Director and Company Secretary (elected Sept 2022)
Mr. C. Cook	
Mr. E. Fitzgerald	
Mr. D.R. Thompson	
Mrs Wendy Greenish	
Capt. A. Robinson, RN	(elected Sept 2022)
Ms. S-J Chivers	(elected Sept 2023)

### Changes in Board of Directors

Mr. A Raymer	retired March 2023
The Reverend Jane Isaac	deceased June 2023

**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)

**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 at Houghton Gardens undertaken by Hyde Housing and payable to them on invoice. There is a collection fee associated with this.
- iii) Estate Service charges for Wykeham Vale will be effective starting in FY 203/24

### 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 2022 decided again to increase the levy rate for Sinking Fund to allow for inflation. This increase of the General Service Charge came into effect from May 2022.

### 6.4 Estate Service Charge:

- 6.4.1 WCLT made progress during the year with Hyde Housing in managing these charges and arrangements for Houghton Gardens, which it is hoped will set a new standard of communication
- 6.4.2 The Trust makes adequate provisions to meet the charges which 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 solid performance with its longstanding portfolio of properties and the start, after frustrating delays, of a growth period with the completion of purchases in Wykeham Vale. 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.

From a sound financial base, WCLT has been able to deliver its commitment to extend community-led ownership of affordable properties for the benefit of local people. 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 and our highly efficient bookkeeper, all of whom have given their time and expertise generously and voluntarily to push WCLT's goals forward. WCLT is grateful to all who are keen to continue into next financial year.

The Board is grateful to Anthony Raymer for efficiently carrying out the task of Company Secretary for the past three years and welcomes David Peters, who is already making his mark on the efficiency of the Trust's operations, as his successor. We are also very pleased to welcome back Andrew Robinson and his wise counsel to the Board. Subsequent to the close of the year, the Board was strengthened by the election of Sara-Jane Chivers who brings with her extensive and deep knowledge of the affordable housing sector.

We remain hopeful that Chris Cook will continue in improved health and be able to return to active participation to Board matters. It is with very great sadness, however, that Rev'd Jane Isaac passed away shortly after the end of FY22/23 and we shall greatly miss her guidance and commitment to the Trust. The Board extends its deepest condolences to David and his son Tom.

Finally, the Board pays tribute to its tenants in an expanding portfolio of affordable homes: we are proud of them, and we are delighted that we have been able to provide affordable homes for them in our community.

#### **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,



**David Peters**

Director and Company Secretary

18 September 2023

## **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 2023 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 2023, and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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



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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report<sup>1</sup>, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

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

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

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

### **Directors' responsibilities**

As explained more fully in the directors' responsibilities statement set out on pages 16 and 17, 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 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.

We identified the greatest risk of a material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls. To address the risk of fraud in these areas, we:

- selected a sample of transactions from material income streams and compared expected income to that recorded within the financial statements
- performed 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.

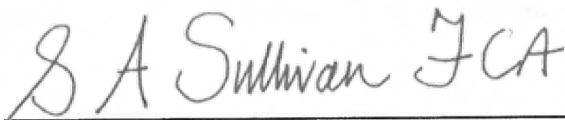
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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

### **Use of our Report**

This report is made solely to Wickham Community Land Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



28 September 2023

**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



## Statement of Comprehensive Income

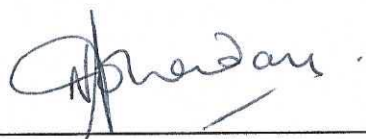
For the year ended 31 March 2023

		2023	2022
	Note	£	£
<b>Turnover</b>	2	92,862	50,427
Operating expenditure	2	(82,463)	(37,371)
<b>Operating Surplus</b>		<b>10,399</b>	<b>13,056</b>
Interest receivable and other income	3	1,225	18
Interest payable and financing costs		(34,079)	(7,726)
<b>(Deficit)/Surplus on ordinary activities before taxation</b>	4	<b>(22,455)</b>	<b>5,348</b>
Taxation	5	-	-
<b>(Deficit)/Surplus for the year and total comprehensive income</b>	14	<b>(22,455)</b>	<b>5,348</b>

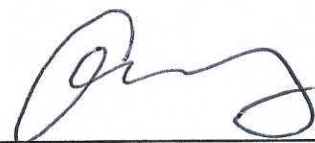
The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Directors on 18th September 2023 and signed on their behalf by



Nicol Holladay  
Chairman & Director



Geoffrey Phillpotts  
Director

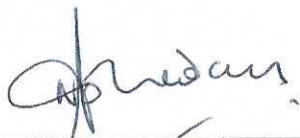
## Statement of Financial Position

As at 31 March 2023

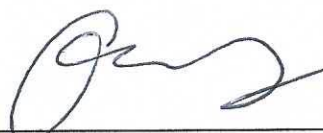
	Note	31 March 2023	31 March 2022
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	7	2,244,311	686,253
<b>Current assets</b>			
Prepaid expenses	8	395	3,969
Cash at bank and in hand		87,208	531,572
		<b>87,603</b>	<b>535,541</b>
<b>Creditors – Amounts falling due within one year</b>	9	<b>(31,116)</b>	<b>(226,526)</b>
<b>Net current assets</b>		<b>56,487</b>	<b>309,015</b>
<b>Total assets less current liabilities</b>		<b>2,300,798</b>	<b>995,268</b>
<b>Creditors – Amounts falling due after more than one year</b>	10	<b>(1,959,239)</b>	<b>(632,349)</b>
<b>Provisions for liabilities</b>	13	<b>(12,163)</b>	<b>(11,068)</b>
<b>Total Net assets</b>		<b>329,396</b>	<b>351,851</b>
<b>Reserves</b>			
Income and expenditure reserve	14	329,396	351,851
<b>Total Reserves</b>		<b>329,396</b>	<b>351,851</b>

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

The financial statements were approved and authorised for issue by the Directors on 18th September 2023 and are signed on their behalf by



Nicol Holladay  
Chairman & Director



Geoffrey Phillpotts  
Director

The notes on pages 25 to 35 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 2023

Company Reg. No: 06608621

Charity Number: 1134897

## Statement of Cash Flows

For the year ended 31 March 2023

	<u>Note</u>	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Net cash generated from operating activities	15	27,965	17,452
<b>Cash Flow from Investing Activities</b>			
Interest received		78	18
Purchase of houses for rent		(1,579,160)	-
<b>Cash Flow from Financing Activities</b>			
Grants received/(repaid)		355,000	(1,300)
New secured loans		794,160	-
Repayment of borrowings		(8,328)	-
Interest paid and other finance costs		(34,079)	(7,726)
Net change in cash and cash equivalents		<b>(444,364)</b>	<b>8,444</b>
Cash and cash equivalents at start of year		531,572	523,128
Cash and cash equivalents at end of year		<b>87,208</b>	<b>531,572</b>

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2023

Company Reg. No: 06608621

Charity Number: 1134897

## Statement of Changes in Reserves

	Income and expenditure reserve £	Total £
<b>At 1 April 2021</b>	<b>346,503</b>	<b>346,503</b>
Surplus for the year	5,348	5,348
<b>Total comprehensive income</b>	<b>5,348</b>	<b>5,348</b>
<b>At 31 March 2022 and 1 April 2022</b>	<b>351,851</b>	<b>351,851</b>
Deficit/Surplus for the year	(22,455)	(22,455)
<b>Total comprehensive income</b>	<b>(22,455)</b>	<b>(22,455)</b>
<b>At 31 March 2023</b>	<b>329,396</b>	<b>329,396</b>



## Notes to the Financial Statements

### 1. Accounting policies

#### a) *Legal status*

Wickham Community Land Trust is registered under the Companies Act 2006 as a company limited by guarantee incorporated in England and Wales. It is registered with both the Charity Commission and Homes England as a Registered Provider and is a public benefit entity. Its registered office is Byrne Runciman, The Square, Wickham, Fareham, Hampshire, PO17 5JT

#### b) *Basis of preparation*

The financial statements have been prepared

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

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

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

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

#### c) *Significant Judgements*

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

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

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

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

**e) *Funds structure***

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

**f) *Turnover***

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

**g) *Expenditure***

Expenditure is recognised on an accruals basis.

**h) *Fixed assets***

***Housing Properties***

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

Fixed assets are stated at cost less accumulated depreciation.

***Depreciation***

Freehold land is not depreciated.

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

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

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



**1. Accounting policies (continued)**

*Impairment*

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

*i) Shared ownership properties*

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

*j) Social Housing Grant*

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

*k) Debtors and Creditors due within one Year*

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

*l) Loans and borrowings*

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

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

*m) Provisions for Liabilities*

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

## 2. Income and Expenditure from Social Lettings

	2023	2022
	£	£
<b>Turnover</b>		
Affordable homes rental income	35,364	-
Intermediate rental income	31,018	31,697
Shared Ownership rental income	15,359	14,215
Government grant taken as income	9,300	3,700
Homes England revenue grant	-	(1,300)
Charges for support services	1,821	2,115
	<u>92,862</u>	<u>50,427</u>
<b>Expenditure</b>		
Maintenance costs	(25,642)	(3,374)
Insurance	(7,094)	(4,160)
Void costs	(17)	-
Property Management Costs	(5,103)	(2,662)
Other costs	(44,607)	(27,175)
	<u>(82,463)</u>	<u>(37,371)</u>

Rental income is stated net of identifiable service charges.

## 3. Interest receivable and other income

	2023	2022
	£	£
Interest receivable	78	18
Insurance claims	-	-
Donations & grants received	<u>1,147</u>	<u>-</u>
	<u>1,225</u>	<u>18</u>

## 4. Surplus on ordinary activities

This is stated after charging:

	2023	2022
	£	£
Auditor's remuneration – for audit services	4,950	3,948
Auditor's remuneration – non-audit services	-	360
Depreciation	21,102	12,302
	<u></u>	<u></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. (2022: £nil). The charity had no employees in the current or previous year.

## 7. Tangible fixed assets

	Freehold Land and Buildings - Affordable Rent	Freehold Land and Buildings - Intermediate Rent	Freehold Land and Buildings - Shared Ownership	Total
		£	£	£
<b>Cost</b>				
At beginning of year	0	495,007	310,166	805,173
Additions	1,579,160	-	-	1,579,160
At end of year	1,579,160	495,007	310,166	2,384,333
<b>Depreciation</b>				
At beginning of year	0	(74,589)	(44,331)	(118,920)
Charge for year	8,800	(7,716)	(4,586)	(21,102)
At end of year	8,800	(82,305)	(48,917)	(140,022)
<b>Net book value</b>				
At 31 <sup>st</sup> March 2023	1,570,360	412,702	261,249	2,244,311
At 31 <sup>st</sup> March 2022	0	420,418	265,835	686,253

The above assets, with a net book value of £2,244,311 are pledged as security against the Trust's loans.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2023

Company Reg. No: 06608621

Charity Number: 1134897

## 8. Prepaid expenses

	2023	2022
	£	£
Insurance costs	0	3,879
Other	395	90
	<u>395</u>	<u>3,969</u>
	<u><u>395</u></u>	<u><u>3,969</u></u>

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

	2023	2022
	£	£
Bank Loans (note 12)	10,729	6,687
Other creditors	4,943	7,191
Accrued expenses	4,950	3,948
Accrued service charges payable	1,194	-
Deferred income from Homes England grant	3,700	3,700
Deferred grant from Winchester City Council	5,600	205,000
	<u>31,116</u>	<u>226,526</u>
	<u><u>31,116</u></u>	<u><u>226,526</u></u>

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

	2023	2022
	£	£
Bank loans (note 12)	998,316	217,022
Loans from other institutions (note 12)	85,290	84,794
Deferred income from grants (note 11)	875,633	330,533
	<u>1,959,239</u>	<u>632,349</u>
	<u><u>1,959,239</u></u>	<u><u>632,349</u></u>

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



# 11. Deferred Grant Income

	2023	2022
	£	£
At 1 April	539,233	542,933
Received in the year	355,000	-
Released to income in year	<u>(9,300)</u>	<u>(3,700)</u>
At 31 March	<u>884,933</u>	<u>539,233</u>
Amounts to be released within 1 year	9,300	208,700
Amounts to be released in more than 1 year	<u>875,833</u>	<u>330,533</u>
	<u>884,633</u>	<u>539,233</u>

# 12. Bank loans and loans from other institutions

	2023	2022
	£	£
Due within one year and on demand	10,729	6,687
Due after one year but less than two years	11,550	6,942
Due after two years but less than five years	39,851	22,455
Due after more than five years	<u>1,032,205</u>	<u>272,418</u>
	<u>1,094,335</u>	<u>308,502</u>

The aggregate amount of debt secured upon the affordable rental properties, intermediate rental properties and the share of shared ownership properties retained by the trust is £1,094,335

The loans bear interest at 3% above Bank of England base rate. One loan is interest only for the first 10 years.

Due to recent increases in interest rates, the Trust is not currently compliant with loan covenants which require it to maintain Debt Service Cover of at least 1.25:1 for one lender, and 1:1 for a second lender. This affects loans with a carrying value of £779,299. The Trust has advised the lender of the impact of interest rate rises as they have been announced and at the date on which these accounts were approved the Trust remains in breach of these covenants, however the affected lenders have not requested any renegotiation of the agreed terms of the affected loans.

# 13. Provisions for liabilities and charges

	2023	2022
	£	£
Provision for future overhaul	<u>12,163</u>	<u>11,068</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 2022	351,851	351,851
Surplus /(deficit) for year	(22,455)	532,934
At 31 March 2023	<u>329,396</u>	<u>884,785</u>

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

	2023	2022
	£	£
Surplus/(deficit) for the year	(22,455)	5,348
Adjustment for non-cash items		
Depreciation	21,102	12,302
Amortisation of government grant	(9,300)	(3,700)
Decrease/(Increase) in prepayments	3,575	(221)
(Decrease)/increase in creditors	(53)	195
Increase/(Decrease) in loans	-	(6,575)
Increase in provisions	1,095	1,095
Adjustment for investing and financing activity		
Interest payable and other finance costs	34,079	7,726
Grants and donations (received)/repaid	-	1,300
Interest received	(78)	(18)
Net cash generated from Operating activities	<u>27,965</u>	<u>17,452</u>

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

	2022	Cash Flows	Other changes	2023
	£	£	£	£
Long term borrowings	308,502	785,833	-	1,094,335
Total liabilities	<u>308,502</u>	<u>785,833</u>	-	<u>1,094,335</u>
Cash and cash equivalents	(531,572)	444,364	-	(87,208)
Total net debt	<u>(223,070)</u>	<u>1,230,197</u>	-	<u>1,007,127</u>

#### 16. Accommodation in management

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

	2023	2022
Shared ownership	4	4
Intermediate rent	4	4
Affordable rent	<u>10</u>	<u>-</u>
	18	8
	<u><u>18</u></u>	<u><u>8</u></u>

#### 17. Company limited by guarantee

Wickham Community Land Trust is a company limited by guarantee and has no share capital. As at 31st March 2023 there were 10 (ten) 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 (2022: £nil).

#### 19. Capital commitments

At 31st March 2023 there were no capital commitments (2022: none).

#### 20. Related parties

During the year, expenses of £345 were reimbursed to 1 trustee (2022: £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.