

# THE FINCHLEY CHARITIES

England & Wales · Charity number 206621

## Details

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**Status** Registered

**Legal form** Other

**Registered** 1982-08-02

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** 41a Wilmot Close  
London  
N2 8HP

**Phone** 02083499167

**Email** [info@thefinchleycharities.org](mailto:info@thefinchleycharities.org)

**Website** [www.thefinchleycharities.org](http://www.thefinchleycharities.org)

## Activities

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**Objects:** 1) THE PROVISION OF ACCOMMODATION FOR BENEFICIARIES, AND ALLOTMENTS FOR THE BENEFIT OF PERSONS OF LIMITED MEANS IN THE AREA OF BENEFIT;AND 2)SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF THE RESIDENTS AS THE TRUSTEES DECIDE. 3)RELIEF IN NEED FOR PERSONS IN THE AREA OF BENEFIT WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS BY MAKING GRANTS OF MONEY OR PROVIDING OR PAYING FOR ITEMS, SERVICES OR FACILITIES CALCULATED TO REDUCE THE NEED, HARDSHIP OR DISTRESS OF SUCH PERSONS. 4)PAYMENTS TO PARISH CHURCHES SITUATED IN THE ANCIENT PARISH OF FINCHLEY.

**Activities:** The Finchley Charities, established in 1488, administer 172 flats for older persons on three estates in the Finchley area. Applicants should be over 55, in housing need, have limited means and have lived in the London Borough of Barnet for at least five years. Financial assistance may be granted to individuals or organisations in relieving persons in the area of benefit in need or hardship.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Elderly/old People, Other Charities Or Voluntary Bodies

## Geography

- **Area of benefit:** BOROUGH OF FINCHLEY
- Barnet

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,433,809	£2,404,150	£17,222,337	14
2024-03-31	£2,254,217	£1,980,021	£17,100,206	13
2023-03-31	£2,091,310	£2,065,118	£16,568,774	11
2022-03-31	£2,505,850	£2,099,255	£16,979,699	10
2020-12-31	£2,008,191	£1,653,505	£16,064,777	11

## Trustees

Name	Role	Appointed
<b>Richard Merrin</b>	Chair	2021-05-17
Chinyere Ugwu		2022-02-14
Daniel Jaffe		2026-02-23
David Bowen		2026-02-23
Helen Gordon		2024-11-11
John Welch		2025-02-24
Jules Bickers		2025-02-24
Leila Satar		2022-02-14
Nigel Benjamin		2022-02-14
REV PHILIP DAVISON		
Rabbi DANIEL RICH		2023-03-01
Susanna Morales		2022-02-14

**THE FINCHLEY CHARITIES**

England & Wales - Charity number 206621

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# Accounts

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**Charity Number: 206621**  
**Regulator of Social Housing Number A0185**

**THE FINCHLEY CHARITIES**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**Accountants:**

Alwyns LLP  
Chartered Accountants  
Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

**Office:**

41a Wilmot Close  
East Finchley  
London  
N2 8HP

**THE FINCHLEY CHARITIES**

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**for the Year Ended 31 March 2025**

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## **THE FINCHLEY CHARITIES**

<b>REGISTRATION</b>	By the Almshouse Association (Number 91) By the Charity Commission (Number 206621) By the Regulator of Social Housing (Number A0185)	
<b>PRINCIPAL OFFICE</b>	41a Wilmot Close East Finchley London N2 8HP	
<b>CHARITY WEBSITE</b>	<a href="http://www.thefinchleycharities.org">www.thefinchleycharities.org</a>	
<b>TRUSTEES</b>	Richard Merrin (C) – Chair Chinyere Ugwu (C) The Rev. Philip Davison (E) Graham Old (C) Leila Satar (C) Nigel Benjamin (C) Susanna Morales (C) Cllr Danny Rich (N) Cllr Claire Farrier (N) – appointed 20/05/2024 Helen Gordon (N) – appointed 11/11/2024 Jules Bickers (C) – appointed 24/02/2025 John Welch (C) – appointed 24/02/2025 Cllr Kathy McGuirk (N) – resigned 20/05/2024 Adam Gheasuddin (N) – resigned 24/02/2025 Michael Pughsley (C) – resigned 24/02/2025  (C) Co-opted (E) Ex-Officio (N) Nominated by London Borough of Barnet	
<b>FULL TIME CHIEF EXECUTIVE:</b>	Carmel Miedzolka MBA CIHCM	
<b>MANAGERS</b>	Head of Operations: Olu Babalola CIHCM Property Services Manager: Kevin Duberry	
<b>ACCOUNTANTS/AUDITORS</b>	Alwyns LLP Chartered Accountants Crown House, 151 High Road Loughton Essex IG10 4LG	Brindley Millen Limited Chartered Accountants & Registered Auditors 167 Turners Hill Cheshunt Hertfordshire EN8 9BH
<b>BANKERS</b>	Barclays Bank plc 1250 High Road London N20 0PB	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
<b>INVESTMENT MANAGERS</b>	Rathbones (Investec Wealth & Investment Limited) 30 Gresham Street London EC2V 7QN	
<b>SOLICITORS</b>	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT	

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES for the Year Ended 31 March 2025

#### **Constitution**

The Finchley Charities was founded in 1488 and operates under a Charity Scheme from the Charity Commission dated 3 March 2011 and also as a Registered Social Landlord.

The scheme states that the area of benefit extends into the London Borough of Barnet. The eligibility for residency applies to persons of limited means, aged 55 and above who find it difficult to find suitable and affordable housing for themselves and who are in need of support. The Finchley Charities also operates a Relief in Need fund for local persons and organisations requesting financial assistance subject to certain conditions.

The Finchley Charities own the Fuel Land Allotments. The day-to-day management is delegated to a voluntary management committee.

#### **Objectives**

The objectives of The Finchley Charities are the relief of poverty in the London Borough of Barnet. It does this by providing sheltered housing accommodation to beneficiaries over the age of 55 and donations to parish churches, individuals and organisations. Donations to the parish churches take precedence and are to be applied towards the upkeep and repair of the fabric of the church buildings. Other donations must not be recurrent or be applied to public funds or in relief of rates and taxes.

#### **Values, Mission and Vision**

During 2024 Residents, Colleagues and Trustees renewed and refreshed the Core Values of The Finchley Charities and were excited to confirm them as: Community, Inclusion, Support, Security and Quality. We are now working to further embed these Core Values into our culture by integrating them into training, performance evaluations, recognition programmes, and decision-making processes so that they remain a central part of the Charity.



**Community:** The Finchley Charities provides a caring service where respect for all is paramount.

**Inclusion:** The Finchley Charities work in conjunction with trusted, local partners to deliver a holistic service for its residents.

**Support:** The Charity prides itself on providing a friendly, caring and welcoming environment where residents can live independently and feel safe and listened to.

**Security:** Residents of The Finchley Charities enjoy a peaceful, safe neighbourhood, a refuge in older age.

**Quality:** The Finchley Charities provides high quality, accessible homes for the local community delivering an independent lifestyle for all.

#### **Our Values**

Our Values shape how we deliver our Mission and Vision.

#### **Our Mission**

The Finchley Charities enhances lives by providing good quality homes, allotments and grants, together with excellent support services to tackle social isolation, loneliness and improve wellbeing.

#### **Our Vision**

To become the leading community housing charity that is centred on providing a trusted, secure and safe environment for older people.



## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2025**

#### **Governance**

The Trustees have established systems and processes that determine strategic direction and policies. These are regularly reviewed. The Trustees also determine short, medium and long-term priorities, and review associated risks.

The Trustees give day-to-day authority to the managers but delegate to their Chief Executive, the responsibility to ensure compliance with their policies and procedures and to liaise as required with their professional advisors and regulatory bodies. All Trustees are volunteers. Co-opted Trustees are selected for their experience and complementary skills. The London Borough of Barnet is entitled to nominate three Trustees.

The Trustees meet formally a minimum of four times a year. In addition, there are five Committees; Finance and Information Technology (IT), Property Services, Housing and Support Services, Fuel Land Allotments and Health and Safety. All Committees meet at least four times a year.

The Finance and IT Committee has responsibility for reviewing internal and external Audit reports and HR. The Trustees review the financial position at each meeting and consider all proposals made by the Finance and IT Committee.

All Committees meet more regularly as and when the need arises.

The principal role of the Trustees is to provide and review the strategic direction, have financial oversight, adopt a Budget, ensure income is applied within a reasonable time, obtain necessary assurances the organisation complies with the law and regulation and oversee the work of the Committees and the Chief Executive.

To ensure good governance and compliance with the National Housing Federation's Code of Governance following a governance review during 2020, The Finchley Charities undertook a review of the governing documents during the period which included:

1. The Charity Scheme.
2. Governance procedures.
3. Trustees Code of Conduct.
4. An action plan to ensure The Finchley Charities are compliant with the NHF's Code of Governance to ensure good governance continues to be in place.

A refresh of the Governance Procedures is planned for 25/26

#### **Control Environment/Procedures**

The Trustees have delegated authority and established lines of responsibility accordingly. Business and management controls set standards of professionalism and integrity for operations, which are managed by experienced and suitably qualified persons.

The Trustees believe that relative to the number of staff, The Finchley Charities has adequate and effective key internal controls.

Policies and procedures are written, implemented and followed. Policies and procedures are regularly reviewed and ratified by Trustees. The review timeframe is dependent on the policy, regulatory requirements and best practice. The introduction of new policies is considered and ratified by Trustees.

#### **Risk Management**

The Finchley Charities has a risk management plan. The major risks to which The Finchley Charities is exposed, as identified by the Trustees, are regularly reviewed and steps taken to mitigate those risks.

The Finchley Charities' risks are reviewed regularly and tabled at Trustee meetings to ensure robust risk management is in place. A Risk Management Working Group has been set up as part of the Finance and IT Committee's workplan.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2025**

#### **Fire Risk Assessment**

We use a third party to conduct our regular external Fire Risk Assessments. This year the Fire Risk assessor presented their findings to the new Health and Safety Committee which, together with the Senior Leadership Team, oversee the completion of the actions, improvements and training recommended for the Charity. All services have been graded Tolerable and are compliant with the emerging requirements of Awaab's Law, part of the Social Housing (Regulation) Act 2023, which requires social landlords to fix reported health and safety hazards within specified timeframes. It takes into account the 29 health and safety hazards outlined in the Housing Health and Safety Rating System (HHSRS). Specifically, Awaab's Law focuses on hazards that pose a significant risk to the health or safety of the actual resident, even if they are not at the highest HHSRS category 1

#### **Community Engagement & Fundraising**

The level of enthusiasm amongst the Residents of The Finchley Charities for Community related opportunities is high. This was evidenced during 2024-25 by the responses of the Residents to The Tenant Satisfaction Measures Survey and in other interactions with our Colleagues. We estimate that approximately 30% of all Residents are interested in accessing community training and volunteering opportunities and there have been a number of such opportunities during the year. To guide and accelerate our efforts, we engaged with [CharityWorks](#) to recruit and train a graduate intern as a Community Development Support Worker. The trainee joined us in September 2024 on a 12-month fixed term contract and has been instrumental in many of the successes achieved.

Hence, we continue to actively develop links with our local communities, peers and key stakeholders prior to identifying appropriate local improvement opportunities and prioritising projects / resources, funding and a fundraising pipeline. Our focus is on ensuring our residents are enabled to make the best use of community assets, resources and relationships to support health and well-being. Community assets include any formal or informal resources, services or activities that help to support health and well-being, such as community organisations and groups, food banks, sports clubs, community centres, faith groups, open spaces, or law and advice services. We are particularly focused on housing, food and nutrition, and health services.

An example of such closer engagement is our work on the Fuel Land Allotments. This resource of 122 allotment plots is held by The Finchley Charities in perpetuity for individuals who live in the London Borough of Barnet. This year, we started converting one of the plots into a "Community Plot" to provide opportunities for volunteers to grow fresh produce for those in food poverty while also creating a calm, safe environment for those in our local community such as asylum seekers, marginalised groups and vulnerable school children, to socialise outside with others, learn a little about horticulture and, at harvest time, eat fresh fruit and vegetables. The Community Plot provides fresh food for the Finchley Food Bank to distribute and has been supported by volunteers from the Finchley Food Bank, St Mary's RC East Finchley, local asylum seekers, via The Finchley Progressive Synagogue, Residents of The Finchley Charities, Fuel Land Allotment plot holders and people from the local area. Additional volunteer support has been received from local organisations such as GoodGym Barnet and from corporate volunteers including James Hambro & Partners and MNM Property Services Ltd.

Our Impact Report outlines some of the more recent achievements of our recent Community Development work include:

- Holding the Barnet African Caribbean Association (BACA) Peer Support project, connecting our residents with BACA members. This has established a link between our Charities, introduced prospective applicants to the site, reduced isolation for residents and encouraged emotional wellbeing.
- Project managing, publicising and delivering workshops for the Barnet Community Quilt Project connecting us with key local stakeholders including New Citizens Gateway, Grange Big Local, The Pavilion School, Barnet Libraries and Tarling Road Community Centre.
- Receiving £20,000 grant funding from the National Lottery Community Fund for an accessible waterless toilet for the Fuel Land Allotments.
- Establishing a working partnership with Oak Lodge School who will be using the Community Plot at the allotment now a toilet is available.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2025**

The Finchley Charities is also partnering with national and local organisations to better understand and, where possible, to support their objectives and activities. Hence, we work with the Somali Bravanese Welfare Association, and Age UK and have given a grant to The Finchley Progressive Synagogue to help them create a safe welcoming space every week for asylum seeker families. We are also working closely with local schools to deliver intergenerational impact such as providing work experience for some of the students or holding allotment and community brunches. Our partners here include The Pavilion School (N20), Oak Lodge School, Queen Elizabeth Girls School, North London Grammar School and Barnet College. In addition, we are working with Age UK to support older people who want to meet, share and learn new craft skills.

#### **Information Systems**

In order to keep overheads costs down financial management and accounting is outsourced and processed by the bookkeeping department of Alwyns LLP from detail provided by the staff of The Finchley Charities and information provided by the Investment Manager, Rathbones (Investec Wealth & Investment). PC based systems with standard software packages are used for this purpose.

The annual budget is approved by the Trustees. The Chief Executive and Alwyns LLP report on significant adverse variances to the Finance and IT Committee. Management accounts are produced monthly for review by the Chief Executive, Chairman of the Finance and IT Committee and Alwyns LLP. Rathbones (Investec Wealth & Investment) provide investment reports to members of the Finance and IT Sub-Committee on a quarterly basis for review and updates the committee twice a year by presentation. Minutes of these meetings are presented for discussion at the next Trustees Meeting / Board.

#### **Monitoring Systems**

The Chief Executive is responsible for the performance of the staff in relation to policies, procedures and budgets set by the Trustees.

Operational issues may be reported to the Finance and IT Committee or to the Chair if quick decisions are required. The Minutes of all Meetings are approved by the appropriate Committee Chairs and reported to the next full Trustees Meeting / Board for information and ratification.

During 2023/24, HR administration was outsourced to BestStart Human Resources, and we are using an online database tool SafeHR as part of our drive to safeguard, digitise and simplify our systems and record keeping.

#### **Reserves Policy**

The Trustees have adopted a reserves policy which they consider appropriate to:

- a) Provide annual amounts for future cyclical repairs and maintenance;
- b) Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for at least one year ahead;
- c) Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the amounts in Designated and Restricted Reserves;
- d) Purchase investments which provide income from which, make it possible to subsidise the weekly maintenance contributions charged to Residents of the Almshouses and thus fulfilling one of its charitable objectives.

The Trustees keep the level of reserves under regular review to ensure that they are adequate and appropriate to meet the requirements of The Finchley Charities. The Trustees aim to maintain the free reserves at a level of 3-6 months of expenditure. The current level of free reserves meets this policy.

#### **Employees**

The Finchley Charities places great emphasis on the contribution of its employees. The Trustees want to place on the record thanks and appreciation for their dedicated work throughout another very challenging year. Colleagues maintained good and safe links with Residents, ensuring high morale throughout the challenges experienced.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2025**

During 2024/25, Trustees employed a Senior Leadership Team comprising of the Chief Executive, a Head of Operations, a Property Services team and a Sheltered Housing Manager. The team is supported by four Sheltered Housing Officers, a Business Support team and a graduate intern placement responsible for supporting community development. A performance management framework is in place to ensure all colleagues, and the Chief Executive are supported, provided with regular 1-2-1s and yearly appraisals together with performance delivery plans. The Chair of The Finchley Charities carries out the yearly appraisals and 1-2-1s for the Chief Executive and reports performance to the Board. The Finchley Charities is committed to training, development and coaching for all colleagues. The framework ensures Colleagues at all levels have the opportunity to meet, raise and discuss issues with their Manager, the Chief Executive and ultimately the Trustees.

#### **Inclusion and Belonging**

Our commitment to Equality, diversity and actively promoting belonging.

Inclusion and social justice are principles we hold dear. We are committed to inclusion for all in our community and are guided through this by our commitment to celebrating and valuing the rich diversity at the heart of The Finchley Charities.

As a Charity we are dedicated in our journey to becoming actively anti-racist and promoting the diverse nature of our community. The Charity is a place where societal challenges are tackled to support everyone.

The Trustees are committed to eliminating discrimination and promoting equality of opportunities for all Colleagues and Residents. The Core Values and Mission of The Finchley Charities are based on valuing our diversity and enabling everyone within our organisation, staff and residents alike, to thrive and to support each other. As an employer of a diverse workforce there is representation at all levels from the front-line colleagues through to the Senior Leadership team and Board and we are committed to tackling all forms of inequality whether structural or personal wherever this may occur.

As part of this commitment, we started work with The Social Justice Collective (SJC) in 2023 and commissioned them to undertake an Equality Diversity and Inclusion (EDI) Audit in 2024. As we continue on this journey, we still have much more to do and to learn as we progress. As part of this work with SJC, an equalities panel consisting of members of The Finchley Charities community will come together to look closely at all aspects of our housing and community life to make sure everyone is respected, valued, treated fairly and protected. We continue to think of ways to promote equality and diversity.

The Trustees have an absolute and ongoing commitment to address injustice wherever it occurs and are confident that together we can emerge stronger and more united for the betterment of all. In August 2024, The Finchley Charities, together with 15 other local organisations and faith leaders, signed a Community Statement expressing their pride in the diverse borough in which we live and work and condemning anti-immigrant hatred, Islamophobia, violence, and hatred of any kind.

#### **Trustees Liability Insurance**

As allowed by its mandate, the Trustees have taken out cover of £500,000.

#### **Investment Policy**

The overall objectives are to create sufficient income and capital growth to enable The Finchley Charities to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. Both capital and income may be used at any time for the furtherance of The Finchley Charities' aims.

#### **Ethical Considerations**

The Trustees wish to preclude investment in tobacco and these are defined as companies with more than 20% of their turnover in this activity.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding particular investments which damage The Finchley Charities' reputation. Trustees expect the Investment Manager to have considered the suitability of investments.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2025**

#### **Principal Funding Sources**

Charges made to Residents for accommodation and Income and Profits from Investments.

#### **Appointments and Training of New Trustees.**

Three Trustees are nominated by the London Borough of Barnet and the Ex-Officio Trustee is the Rector of St Mary-at-Finchley Church The Rev Philip Davison.

Trustees appoint new Trustees for their specific skills and knowledge following a skills gap analysis. The Chief Executive has the delegated responsibility for providing training.

Recruitment of new Trustees is on-going so as to ensure succession planning for 2025/26.

During 2024/25 The Finchley Charities recruited one new trustee nominated from the London Borough of Barnet and we welcome Helen Gordon.

In 2024, the consultancy, Campbell Tickell were commissioned to support the recruitment of two Trustees Jules Bickers and John Welch. In addition, two Designate Trustees Daniel Jaffe and David Bowen were appointed to support succession planning.

This year also saw the resignation in February 2025 of Michael Pughsley and Adam Gheasuddin from their roles as Chair and Trustee. Michael and Adam led the Charity for many years and we are deeply grateful for their commitment to our Mission and the wisdom and energy they freely offered.

#### **Key Decisions**

The Trustees make all Key Decisions including the ratification of decisions delegated to the Chair or the Chair of the Finance and IT sub-committee.

#### **Activity, Performance Review and Future Plans**

2024/25 was again a challenging year with continuing high inflation, spiralling cost of repairs and maintenance and high Bank of England base rates resulting in higher interest payment on our loan. However, The Finchley Charities have continued to carry out the core services to a good level.

During the year we experienced 10 voids, which is 5.8% of The Finchley Charities' housing stock, in comparison to 9 voids in 2023/24. The Finchley Charities has continued to reach out to the local community ensuring that colleagues are supported to turn voids around, carrying out the refurbishments necessary to re-let.

There was 99.4% occupancy at 31 March 2025.

Further challenges experienced were due to the issues faced by contractors, the difficulties with the labour market and the unprecedented increase in cost of materials which affected turning voids around in the expected timeframes.

#### **The organisation strategy**

The organisation strategy is further developed to plan longer term ambitions, to build further homes, reviewing and improving services, processes and governance. The organisational strategy has been reviewed and refreshed with a new 5-year strategy launched in May 2025

#### **Asset Management**

Trustees are committed to ensure the Charity has a well maintained to a high-quality standard housing stock and the resources to keep these homes in good condition. Regular stock condition surveys enable the Charity to maintain an up-to-date register of the works needed to ensure that the accommodation provided both meets with the Decent Homes Standards and is maintained at a good standard for all Residents (i.e. accommodation in a reasonable state of repair, with modern facilities and services and a reasonable degree of thermal comfort). Such surveys enable an understanding of future financial commitments within a 5-to-30-year horizon and inform the 5-year rolling programme of planned repairs and major refurbishment needed.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2025**

During 2022/23, the surveyor Faithorn Farrell Timms (FFT) was commissioned to undertake a comprehensive stock condition survey of all The Finchley Charities properties. The results led to the Charity's latest 5-year rolling programme of works and underpinned the procurement of a property services contractor who now conducts the majority of our building fabric repairs.

The stock condition survey by FFT also identified the energy performance certificates (EPCs) of all of our properties. These EPCs describe the performance and sustainability of each property and inform the decarbonisation improvement works required for each property to achieve the Trustees' aim of minimum ratings of C across the portfolio. Such decarbonisation has resulted in a substantial number of boiler, window and door replacements with further retrofitting planned to achieve the "C" EPC ratings targeted.

Key Building and safety works were completed throughout the year included upgrades at the three services for example all Fire Doors at Pewterers and were renewed and refreshed and this work was supplemented by upgrading and replacing/upgrading some of the compartmentalisation and communal doors. Wilmot Close fire doors replacements are planned.

At Homefield Gardens, consultants from Elektra carried out a project to review the current external lighting and produced lighting designs to improve lighting externally around the site and follow up work was completed post installation

A defibrillator was installed at each of our three schemes and training has been provided

#### **Asset Development Appraisal**

The Finchley Charities continue to review its cost base and asset management, particularly with regard to financial efficiencies, value for money and standards for property refurbishments and maintenance, whilst being mindful of keeping a good standard of accommodation expected for Residents.

The Trustees are also committed, if able, to develop more homes needed in the area of benefit. During 2021/22, Campbell Tickell were commissioned to appraise all The Finchley Charities' stock and land to investigate and explore opportunities for the future development of new homes. This year, we held discussions with Sheridan Limited to plan the development of new homes in the area of benefit during 2025/26.

We have secured funding from Warm Homes to upgrade Cleave House and brought x 1 flat back into use at HG

#### **Health & Wellbeing**

The organisational focus on Health and Well-being for Residents continues, focusing on activities and events to promote good mental health, promote a good community, reduce social isolation and loneliness.

Sheltered Housing Officers maintain regular contact with all beneficiaries and identify those most at risk of isolation so as to increase their contact and support as required. During the past few years, The Finchley Charities' IT improvement programme included moving all the IT and telephone systems to the cloud and the upgrade to the community alarm systems in beneficiaries' homes.

Face to face support has been enhanced together with the opening of additional communal facilities. Staff are now working towards improving health and well-being activities and events and a number of community social opportunities have been created including:

- Money Matters and Scam Prevention – delivered with Age UK
- First Aid training for Residents
- Intergenerational projects including art and music classes and volunteering work at the Community Allotment
- Community Brunches.
- Cultural celebrations
- Feast with Us -monthly lunches and a training programme

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 March 2025**

#### **Grounds, Gardens and Green Space**

It is so important for Residents to socialise and be part of a community which contributes to the reduction of social isolation. The Finchley Charities ensures the grounds, gardens and green space are well maintained to benefit the health & wellbeing of Residents. Trustees would like to thank the gardeners for their commitment and hard work for making sure the gardens remained beautiful and accessible for our beneficiaries to enjoy, socialise and be part of a community. Trustees would also like to thank those Residents who also contributed to ensure the gardens were well maintained. Maintaining the grounds and gardens remains a priority.

#### **Resident Engagement and Satisfaction**

Resident engagement is about asking the experts (our Residents) about how we should run our services. We want to ensure that they are able to influence, shape, and decide on how services are delivered from the day to day running of our supported housing and individual's personal support plans through the delivery of repairs services to the strategic decision making of the Board.

This has always been central to The Finchley Charities' way of working with most systems and mechanisms for engaging Residents being face-to-face individual and group discussions.

We consulted all residents through the annual Tenants Satisfaction Measures (TSM) Survey, service user advisory panel and Residents' meetings with formal Resident Engagement sessions held at least quarterly involving Residents from all schemes, Colleagues and Trustees. We have also been learning from other feedback such as complaints and reporting back on this to Residents.

We endeavour to use such sessions to surface and highlight Residents' issues and make their involvement both a reality and their issues a precursor to action whenever possible. Our intention is to maintain frequent and open communications in order to build the confidence of Residents in our ability as a landlord to support them. Our TSM survey showed that 85% of Residents who responded were either very satisfied or fairly satisfied with the overall service they receive from The Finchley Charities with 11 of the 12 areas surveyed being in the upper quartile of sector results.

Resident Engagement sessions are opportunities for Colleagues and Trustees to learn about the challenges faced by our Residents, and then follow through with managed actions and outcomes that support and demonstrably benefit our Residents. Key areas of activity include:

#### **COMMS SURVEY**

- Security and signage
- Car parking
- Digital inclusion
- Health and wellbeing
- Health and Safety

Residents' meetings have been held at every scheme to review 'Fire Safety' and scheme specific matters and a Health and Safety Committee mobilised in September 2023 where six elected Residents, work together with Colleagues in a committee chaired by a Trustee. The Health and Safety Committee meets quarterly with minutes of the sessions posted on scheme noticeboards and available to all Residents.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2025**

#### **Public Benefit**

The Finchley Charities provide accommodation for those beneficiaries of limited means who have lived within the boundaries of the London Borough of Barnet as set out in the scheme of 2011 registered with the Charities Commission.

Each year the Trustees review The Finchley Charities' objectives, to ensure they continue to reflect The Finchley Charities' aims. In carrying out this review, the Trustees have complied with the duty in section 17(s) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Donations and Grants**

The Finchley Charities made the following donations and grants during the year:

Local Church Donations	£12,075
Other	£5,522

A grant is defined as a financial award made by The Finchley Charities from its funds to support charitable activities, usually to registered charities, charitable community groups and individuals experiencing hardship.

Trustees' grant making policy has no restrictions imposed on the purpose for which grants may be made, as long as the criteria outlined in the Charity Scheme are met. Trustees will award grants when they believe the grant will make a difference and will have an impact in the area of benefit. All applicants will be considered if the organisation or individual can demonstrate the following:

- Need and impact
- The organisation applying for a grant is a registered charity in the UK and operates in the area of benefit – the London Borough of Barnet
- An individual applying for a grant resides in the area of benefit and can demonstrate hardship.

Grants awarded will vary in amount.

All grants are considered at The Finchley Charities' Housing and Support Services Committee on a quarterly basis then ratified by the Finance and IT sub-committee and the Trustees of The Finchley Charities, before grants are awarded in line with The Finchley Charities' charitable objectives.

During 2024/25, we continued to limit the number of grants provided due to the large amount of investment made into the major works programme, for the much-needed work required to be undertaken to The Finchley Charities' assets during a difficult and challenging year. We will continue to provide grants during 2025/26 which will be kept under review.

#### **Overall performance**

Performance indicators:

	2025	2024
Operating margin before revaluation		
gain on investments	37%	16%
Occupancy	99.4%	99%
Rent collected	98%	98%
Overheads as a percentage of maintenance contributions	96%	80%
Cost per unit	£11,162	£8,676
Working capital	£207,907	£123,323

The Finchley Charities' operating margin has increased following an improved performance on the investments and as the charity continues to invest in its properties whilst maintaining a 98% occupancy and rent collected remains consistent. The working capital has improved from the previous year but continues to be low due to the continued investment in our properties through our planned 'major works' programme.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the Year Ended 31 March 2025

#### **Financial Review of the Year**

The surplus before revaluation losses/gains on investments for the 12 months period was £763,523 (2024 – £316,478).

During the year the Investment Manager re-aligned the Charity's portfolio to ensure that income and capital growth were maintained in line with the Charity's investment policy, see page 6. This produced a gain on disposal of specific investments of £755,487, the proceeds of which the Investment Manager used to reinvest.

In accordance with Generally Accepted Accounting Practice, the investment portfolio was re-valued to market value at 31 March 2025 producing an unrealised loss of £641,392, due to market volatility during 2025, compared to a gain of £214,954 in 2024.

Overall however, the Charity's results were improved by the net sum of £114,095.

The results for the year excluding the increase or decrease in the value of investments may be summarised as follows:

	2025	2024
	£	£
Income from Housing	2,018,916	1,868,939
Direct costs	(515,086)	(415,180)
	<u>1,503,830</u>	<u>1,453,759</u>
Administration costs	(785,098)	(622,827)
Depreciation	(358,908)	(357,060)
Loss on replacement of components	(16,480)	(33,537)
Grant Amortisation	64,599	64,599
	<u>407,943</u>	<u>504,934</u>
Cyclical Maintenance Fund costs	(631,250)	(454,273)
Housing activity surplus/(deficit)	<u>(223,307)</u>	<u>50,661</u>
Other income less donations paid	231,343	223,535
Operating Surplus	<u>8,036</u>	<u>274,196</u>
Profit on sale of investments	755,487	42,282
Surplus for the year before revaluation	<u>763,523</u>	<u>316,478</u>
Gains/(losses) on investments	<u>763,523</u>	<u>316,478</u>

The Finchley Charities complies with the Statement of Recommended Practice (SORP) for Registered Social Landlords in the presentation of its Financial Statements.

**THE FINCHLEY CHARITIES**

**REPORT OF THE TRUSTEES (continued)**  
**for the Year Ended 31 March 2025**

**Overview**

The Finchley Charities is aware of its status as a Charity and that it has always subsidised accommodation which The Finchley Charities offers. The Finchley Charities has endeavoured to principally use investment income to pay for essential extraordinary repairs and capital costs. The Finchley Charities reviews its investment performance on a regular basis with its Investment Managers throughout the year.

The surplus shown above continued to contribute to the reserves, which are therefore considered adequate to support The Finchley Charities' objectives in the future. The Statement of Financial Position shows an increase in reserves to £17,222,337 at 31 March 2025 which are largely represented by the stock of housing accommodation. The free reserves (unrestricted reserves less fixed assets, deferred government grant and loans) at 31 March 2025 were £1,155,355.

The Finchley Charities continues to retain the services of professionally qualified staff who are keen to continue the development of The Finchley Charities' targets.

The Finchley Charities' auditors have confirmed that we have an adequate financial position. We have ambition to maintain and improve this position in order that we may be able to offer more grants to those organisations who offer assistance to those in need in Barnet.

It should be acknowledged that the Trustees are not remunerated for their often-considerable work, therefore, Trustees Liability Insurance is in place to protect them from personal liability as far as is possible.

**Responsibilities of the Trustees**

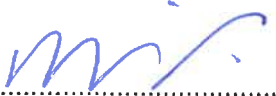
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.


The law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare The Finchley Charities' financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of The Finchley Charities and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Finchley Charities will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain The Finchley Charities' transactions and disclose with reasonable accuracy at any time the financial position of The Finchley Charities and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018 update). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees:

  
.....  
Chairman – Richard Merrin

  
.....  
Trustee – G. Old

18/07/25  
.....  
Date

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES** **for the Year Ended 31 March 2025**

#### **Opinion**

We have audited the financial statements of The Finchley Charities (the ‘charity’) for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’.

In our opinion the financial statements:

- give a true and fair view of the state of The Finchley Charities’ affairs as at 31 March 2025 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022.

#### **Basis for opinion**

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

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity’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 directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

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

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)** **for the Year Ended 31 March 2025**

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

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

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Finchley Charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.


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 Report of the Independent Auditors.

**THE FINCHLEY CHARITIES**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)**  
**for the Year Ended 31 March 2025**

**Use of our report**

This report is made solely to The Finchley Charities' Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Finchley Charities and The Finchley Charities' Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
Maurice Brindley BSc FCA (Senior Statutory Auditor)  
for and on behalf of Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

Date: .....4/9/2025.....

**THE FINCHLEY CHARITIES**


**STATEMENT OF COMPREHENSIVE INCOME**  
**for the Year Ended 31 March 2025**


		Unrestricted funds	Designated funds	Restricted funds	2025 Total	2024 Total
	Note	£	£	£	£	£
<b>INCOME FROM HOUSING</b>						
Social housing lettings	2	2,083,515	-	-	2,083,515	1,933,538
Operating expenditure	2	(2,306,822)	-	-	(2,306,822)	(1,882,877)
<b>HOUSING ACTIVITY SURPLUS</b>	3	<u>(223,307)</u>	-	-	<u>(223,307)</u>	<u>50,661</u>
Profit on sale of investments		755,487	-	-	755,487	42,282
Investment property income		78,782	-	14,350	93,132	87,584
Interest receivable and similar income	4	237,048	-	-	237,048	231,420
Interest payable		(79,731)	-	-	(79,731)	(82,543)
Donations received		120	-	19,994	20,114	1,675
Other expenditure		-	-	(21,623)	(21,623)	-
Donations payable		(17,597)	-	-	(17,597)	(14,601)
		<u>974,109</u>	-	<u>12,721</u>	<u>986,830</u>	<u>265,817</u>
<b>Surplus before revaluation gain/(loss) on investments and transfers</b>		<b>750,802</b>	-	<b>12,721</b>	<b>763,523</b>	<b>316,478</b>
Net revaluation gain/(loss) on investments	8a	(641,392)	-	-	(641,392)	214,954
Transfers between reserves	12	(1,507)	(550)	2,057	-	-
<b>Surplus/(Deficit) for the year before revaluation of fixed assets</b>		<b>107,903</b>	<b>(550)</b>	<b>14,778</b>	<b>122,131</b>	<b>531,432</b>
		-	-	-	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>107,903</b>	<b>(550)</b>	<b>14,778</b>	<b>122,131</b>	<b>531,432</b>
Reserves brought forward		13,048,225	3,836,413	215,568	17,100,206	16,568,774
Reserves carried forward		<u>13,156,128</u>	<u>3,835,863</u>	<u>230,346</u>	<u>17,222,337</u>	<u>17,100,206</u>

The Finchley Charities has no other recognised gains or losses other than the results for the year as set out above.  
All the activities of The Finchley Charities are continuing.

Approved and authorised for issue by the Trustees on

18/8/25

  
.....  
Chairman - R. Merrin

  
.....  
Trustee - G. Old

The notes on pages 19 to 29 form part of these financial statements.

**THE FINCHLEY CHARITIES**

**STATEMENT OF FINANCIAL POSITION**

**As at 31 March 2025**

		2025		2024	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Housing Properties	7a		12,398,161		12,484,656
Fuel Land Allotments	7b		450,000		450,000
Office equipment	7a		13,898		8,506
			<u>12,862,059</u>		<u>12,943,162</u>
Investment Properties	7c		450,000		450,000
Investments - Shares	8a	6,408,123		6,416,469	
- Cash	8b	<u>186,574</u>		<u>160,162</u>	
			6,594,697		6,576,631
			<u>19,906,756</u>		<u>19,969,793</u>
<b>CURRENT ASSETS</b>					
Debtors	9	72,667		70,617	
Cash at bank and in hand		<u>303,530</u>		<u>273,634</u>	
		376,197		344,251	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(273,474)</u>		<u>(338,832)</u>	
<b>NET CURRENT (LIABILITIES)</b>			102,723		5,419
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>20,009,479</u>		<u>19,975,212</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	10		(2,787,142)		(2,875,006)
<b>NET ASSETS</b>			<u>17,222,337</u>		<u>17,100,206</u>
<b>RESERVES</b> 12/13					
Revenue - unrestricted			10,675,088		9,925,793
Property revaluation reserve			1,621,632		1,621,632
Investment revaluation reserve			859,408		1,500,800
			<u>13,156,128</u>		<u>13,048,225</u>
Designated			3,835,863		3,836,413
Restricted			<u>230,346</u>		<u>215,568</u>
			<u>17,222,337</u>		<u>17,100,206</u>

Approved and authorised for issue by the Trustees on 18/8/25

.....  
Chairman - R. Merrin

.....  
Trustee - G. Old

The notes on pages 19 to 29 form part of these financial statements.

**THE FINCHLEY CHARITIES**  
**STATEMENT OF CASH FLOWS**  
**As at 31 March 2025**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Net cash from operating activities	98,154	352,118
<b>Cash flows from financing activities:</b>		
Mortgage capital movement	(35,985)	(33,703)
Interest paid on mortgage	(79,731)	(82,543)
Net cash flow from financing activities	<u>(115,716)</u>	<u>(116,246)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(364,129)	(333,674)
Purchase of other PPE	(10,589)	(7,170)
Purchase of investments (shares)	(2,964,248)	(891,711)
Proceeds from disposal of investments (shares)	3,119,957	800,441
Investment property income	93,132	87,584
Investment income	199,747	194,994
Net cash flow used in investing activities	<u>73,870</u>	<u>(149,536)</u>
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>	56,308	86,336
<b>Cash and cash equivalents at beginning of the reporting period</b>	<u>433,796</u>	<u>347,460</u>
<b>Cash and cash equivalents at end of the reporting period (Note 15)</b>	<u><b>490,104</b></u>	<u><b>433,796</b></u>
<b><u>RECONCILIATION OF NET INCOME/(EXPENDITURE)</u></b>		
<b><u>TO NET CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
<b>Net income before revaluation gains on investments</b>	763,523	316,478
<b>Adjustments for:</b>		
Depreciation charges	358,908	357,060
Loss on disposal of fixed assets	16,480	33,537
Write off capital development	25,303	-
Amortisation of Grant	(64,599)	(64,599)
Investment property income received	(93,132)	(87,584)
Interest payable	79,731	82,543
Investment income received	(233,139)	(228,935)
Interest received	-	-
(Profit)/Loss on sale of investment (shares)	(755,487)	(42,282)
Decrease/(Increase) in debtors (less accrued investment income)	(1,926)	(16,423)
(Decrease)/Increase in creditors (less mortgage, deferred government grants and capital creditors)	2,492	2,323
<b>Net cash provided from operating activities</b>	<u><b>98,154</b></u>	<u><b>352,118</b></u>

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the Year Ended 31 March 2025**

#### **1. PRINCIPAL ACCOUNTING POLICIES**

##### **Legal Status**

The Finchley Charities is a registered charity (Registered Number 206621) and is registered with the Regulator of Social Housing (formerly Homes and Communities Agency) as a Private Registered Provider of Social Housing (Registered Number A0185) and the Almshouse Association (Registered Number 91). The registered office is 41a Wilmot Close, East Finchley, London N2 8HP.

##### **Accounting Convention**

The financial statements have been prepared in accordance with applicable accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice for registered social housing providers (SORP 2018 update). The principal activity of The Finchley Charities is to provide relief of poverty in the London Borough of Barnet. In accordance with FRS 102 (3.3 A), the charity is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting except for investment properties and investments which are included at fair value and are presented in sterling (£).

##### **Going concern**

The accounts have been prepared on the basis that it will continue as a going concern. There are sufficient reserves to enable The Finchley Charities to continue to achieve its objectives for the foreseeable future.

A summary of significant accounting policies is set out below.

##### **Income**

Income from Housing represents income receivable from accommodation net of any voids, amortised capital grants from Local Authorities, The Housing Corporation and the GLA and charitable donations measured at value of the consideration received or receivable.

##### **Fixed Assets, Housing Properties and Component Accounting**

Housing Properties held to provide a social benefit are stated at cost less accumulated depreciation and impairment losses. The Finchley Charities calculates depreciation by implementing component accounting. Estimated figures have been used where due to the elapse of time or the disproportionate cost of ascertaining the figures, it has not been possible to get actual information. This means that depreciation is charged based on the estimated useful life of each component within the housing properties as follows:

Structure	100 years
Roofs	60 years
Windows and Doors	30 years
Lifts	30 years
Plumbing	30 years
Electrics	30 years
Bathrooms	20 years and 30 years
Kitchens	20 years
Heating	20 years
Careline & safety systems	10 years and 20 years
External structures	20 years
Office	20 years
Communal Hall	10 years

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the Year Ended 31 March 2025**

#### **Fixed Assets, Housing Properties and Component Accounting (cont'd)**

Housing stock under construction, together with interest on mortgage are capitalised but not depreciated until the property is occupied. Interest is capitalised in fixed asset housing properties up to the date of completion of capital works on each scheme. The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme.

Office equipment is depreciated at the rate of 25% on cost per annum.

#### **Social Housing Grant**

Government grants include grants receivable from the GLA, local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in income from housing over the estimated useful life of the housing property components, under the accrual model.

Grants due from government organisations or received in advance are included as current liabilities.

#### **Impairment**

At each Statement of Financial Position date, housing schemes are assessed to determine if there are indicators that the scheme may be impaired in value; if there are such indicators of impairment, then a comparison of the scheme's carrying value compared to its recoverable amount, is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately.

#### **Investments**

Investments are measured initially at cost and subsequently at fair value (their market value) valued at market value at the Statement of Financial Position date. The Statement of Comprehensive Income includes the net gains and losses arising on revaluations and disposals throughout the year.

Investment properties are included in the Statement of Financial Position at fair value. The last revaluation was July 2018 carried out by Lambert Chartered Surveyors. Revaluation surpluses and deficits are recognised as part of the Statement of Comprehensive Income.

#### **Fuel Land Allotments**

This property came under the jurisdiction of The Finchley Charities in 1892 and laid out 113 allotments. The income from the holders was used to buy coal for poor people and pensioners. It later was used for fuel vouchers for Finchley Old People's Welfare. It is now incorporated in the latest scheme of 2011 to be rented out to allotments holders who fall in the area of benefit. The property has been treated as a permanent endowment of The Finchley Charities. It has been revalued by Lambert Chartered Surveyors in July 2018.

#### **Pension costs**

The Finchley Charities contributes to an industrial scheme for employees (defined contribution scheme). The assets of the scheme are held separately from those of The Finchley Charities. The annual contributions payable are charged to the Statement of Comprehensive Income. The Finchley Charities has no potential liability other than for the payment of those contributions.

#### **Debtors**

Debtors are amounts owed to The Finchley Charities and are included at their recoverable amount. Debtors also include prepayments where payment has been made in advance of receipt of the goods or services.

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the Year Ended 31 March 2025**

#### **Cash at Bank and in hand**

Cash at Bank and in hand is held to meet short term cost commitments as they fall due and includes all cash equivalents held in the liquid investments.

#### **Creditors**

A liability is an amount due to a creditor and is recognised as the amount The Finchley Charities anticipates it will pay to settle the debt. Creditors also include amounts received in advance for goods and services it must provide.

#### **Operating Leases**

Rentals paid under operating leases are charges to the Statement of Comprehensive Income on a straight-line basis over the term of the lease, including where payments are not required to be made on a straight-line basis. Lease incentives are similarly spread on a straight-line basis over the relevant lease terms.

#### **Financial Instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when The Finchley Charities becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that The Finchley Charities will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Finchley Charities' cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

#### **Cyclical Maintenance Fund**

The Finchley Charities charges actual costs incurred to the Statement of Comprehensive Income. However it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted cost of work in the following year, adjusted for one off expenditure.

#### **Extraordinary Repair Fund**

The Finchley Charities charges actual costs to the Statement of Comprehensive Income. However, it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted costs of work in the following year, adjusted for one off expenditure.

#### **Restricted Reserves**

When additional works on the Almshouses was undertaken in the 1970's the Charity Commission required £428 per annum to be invested annually from 1976 to 2036 and it is accumulated with its attached investments so as to replace the capital.

#### **Taxation**

The Finchley Charities is registered with the Regulator of Social Housing and has charitable status. It is therefore exempt from liability to taxation on its charitable income and capital gains.

#### **Value Added Tax**

The Finchley Charities is not registered for value added tax. In these financial statements, where applicable income and expenditure is shown inclusive of VAT.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2025**

**2. PARTICULARS OF INCOME AND EXPENDITURE FROM HOUSING ACCOMMODATION**

	<b>2025</b>	<b>2024</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Income from housing</b>		
Maintenance charges - Housing for older people	2,027,738	1,878,519
Less: Losses from voids	(8,822)	(9,580)
Amortised government grant	64,599	64,599
<b>Total income from housing</b>	<u>2,083,515</u>	<u>1,933,538</u>
<b>Expenditure on housing activities</b>		
Services	152,719	137,871
Management	143,145	132,178
Routine maintenance	219,222	145,131
Cyclical Maintenance Fund	631,250	454,273
Housing properties depreciation	353,711	353,245
Loss on disposal of components	16,480	33,537
Bad debts & provision	48,683	325
Other costs	741,612	626,317
<b>Total expenditure on housing</b>	<u>2,306,822</u>	<u>1,882,877</u>
<b>Operating surplus on housing activities</b>	<u>(223,307)</u>	<u>50,661</u>
<b>Number of units</b>	<b>No</b>	<b>No</b>
At 1 April 2024	172	172
Addition during the year	1	-
At 31 March 2025 (all managed and owned)	<u>173</u>	<u>172</u>

**3. HOUSING ACTIVITY SURPLUS**

The operating surplus is stated after charging:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Depreciation	358,908	357,060
Loss on disposal of components	16,480	33,537
Grant amortisation	(64,599)	(64,599)
Auditors remuneration - as auditors	<u>7,820</u>	<u>6,540</u>

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Investment income	233,139	228,935
Interest from cash deposits	143	-
Other income	3,766	2,485
	<u>237,048</u>	<u>231,420</u>

Investment income includes £33,268 accumulated dividends (2024: £31,456) and accrued interest of £2,786 (2024: £2,662).

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2025**

**5. STAFF**

The average number of staff employed by the Charity during the financial period was:

	<b>2025</b>	<b>2024</b>
	No.	No.
Administrative	8	8
Sheltered Housing Officers	6	5
	<u>14</u>	<u>13</u>
	<b>2025</b>	<b>2024</b>
	£	£
Wages & salaries	462,186	427,606
Social security costs	39,087	31,187
Pension costs	<u>17,846</u>	<u>14,044</u>
	<u>519,119</u>	<u>472,837</u>

The key management personnel (excluding the Trustees) is the Chief Executive whose remuneration for the year ended 31 March 2025 was £103,450 including £9,895 employer's NI and £8,505 employer's pension contributions (2024: £105,205 including £8,621 employer's NI and £7,425 employer's pension contribution). The Chief Executive is an ordinary member of the defined contribution pension scheme with pension arrangements which are similar to those of other staff.

The number of employees whose emoluments exceeded £60,000 for the year was:

	<b>2025</b>	<b>2024</b>
	No.	No.
£60,000 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

**6. TRANSACTIONS WITH TRUSTEES**

None of the Trustees received any emoluments for their services. Expenses for travel and telecommunication totalling £198 were reimbursed during the period (2024: £nil).

Many of the Trustees are involved with Churches and other charities in the area, some of whom received financial help through the Relief in Need programme.

When considering making donations, Trustees with any interest declare that interest and abstain from these decisions. These actions are recorded in the minutes of Trustees meetings.

Other than the above none of the Trustees has any interest in any contracts with The Finchley Charities.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 March 2025**

**7. FIXED ASSETS**

a) Tangible fixed assets	Freehold Housing Properties £	Major Housing Improvements £	Office Equipment £	Total 2025 £
<b>COST / VALUATION</b>				
At 1 April 2024	15,697,738	25,303	39,282	15,762,323
Additions	303,999	5,000	10,589	319,588
Transfer to I&E A/C - Write off	-	(25,303)	-	(25,303)
Disposals	(58,895)	-	-	(58,895)
Transfer	-	-	-	-
At 31 March 2025	<u>15,942,842</u>	<u>5,000</u>	<u>49,871</u>	<u>15,997,713</u>
<b>DEPRECIATION</b>				
At 1 April 2024	3,238,385	-	30,776	3,269,161
Charge for period	353,711	-	5,197	358,908
Disposals	(42,415)	-	-	(42,415)
At 31 March 2025	<u>3,549,681</u>	<u>-</u>	<u>35,973</u>	<u>3,585,654</u>
<b>NET BOOK VALUE</b>				
At 31 March 2025	<u>12,393,161</u>	<u>5,000</u>	<u>13,898</u>	<u>12,412,059</u>
At 31 March 2024	<u>12,459,353</u>	<u>25,303</u>	<u>8,506</u>	<u>12,493,162</u>

Additions in the year include component additions of £303,999 of which £10,790 was included in creditors (2024: £376,634 of which £65,920 included in creditors).

**b) Fuel Land Allotments**

This property is a permanent endowment of the Charity and is shown as a fixed asset with no known original cost. There is income from the allotments amounting to £14,350 (2024: £13,520) which is used towards the donations made under the Relief in Need objective. The property is included in the Statement of Financial Position at valuation of £450,000 (2024: £450,000).

**c) Investments - Property**

Property	Valuation 2025 £	2024 £	Tenant	Current Annual Rent £	Current Insurance Premiums £
Advertising Hoardings, 250 - 274 High Road	50,000	50,000	J C Decaux Ltd	5,000	*
The Ann Owens Centre, Tarling Road	400,000	400,000	Age UK Barnet	30,474	1,973
	<u>450,000</u>	<u>450,000</u>		<u>35,474</u>	<u>1,973</u>

\*Arranged by Tenants

The above property valuations were carried out by professional external valuers, Lamberts Chartered Surveyors.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2025**

**8a. INVESTMENTS - SHARES**

	£
Balance at 1 April 2024	6,416,469
Additions (including £33,268 accumulated dividends)	2,997,516
Disposals	(2,364,470)
Net unrealised loss on revaluation	(641,392)
Balance at 31 March 2025	<u>6,408,123</u>

	Cost		Market value	
	2025	2024	2025	2024
	£	£	£	£
Funds managed by:				
Rathbones - Investments	3,588,214	2,925,655	3,608,831	3,655,640
- M&G Charifund	1,805,932	1,847,584	2,006,322	1,979,442
COIF	16,588	16,588	410,731	359,405
M&G Charity Multi Asset Fund	182,473	169,566	382,238	421,982
	<u>5,593,207</u>	<u>4,959,393</u>	<u>6,408,122</u>	<u>6,416,469</u>
<b>8b. Investment - Cash</b>			<u>186,574</u>	<u>160,162</u>

**9. DEBTORS: Due within one year**

	2025	2024
	£	£
Rent arrears	33,865	29,439
Less: bad debt provision	(5,000)	(5,000)
	<u>28,865</u>	<u>24,439</u>
Prepayments and Other debtors	43,802	46,178
	<u>72,667</u>	<u>70,617</u>

**10. CREDITORS: Amounts falling due within one year**

	2025	2024
	£	£
Creditors	72,399	86,832
PAYE/NI	11,162	10,633
Other creditors	84,729	123,463
Deferred government grant (Note 11)	64,599	64,599
Mortgage	40,585	53,305
	<u>273,474</u>	<u>338,832</u>

**CREDITORS: Amounts falling due after one year**

	2025	2024
	£	£
Deferred government grant (Note 11)	1,728,796	1,793,395
Mortgage 2-5 years	192,143	227,842
More than 5 years	866,203	853,769
	<u>2,787,142</u>	<u>2,875,006</u>

The mortgage is payable in monthly instalments over 25 years. The annual interest rate is 2.15% plus BEBR and the mortgage of £1,500,000 is secured on the new property.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 March 2025**

11. DEFERRED GOVERNMENT GRANT	Total 2025 £	Total 2024 £
At 1 April 2024	1,857,994	1,922,593
Amortisation of grant for the year	(64,599)	(64,599)
At 31 March 2025	<u>1,793,395</u>	<u>1,857,994</u>
Due within one year	<u>64,599</u>	<u>64,599</u>
Due after one year	<u>1,728,796</u>	<u>1,793,395</u>

The Finchley Charities received government grants totalling £4,634,238 over the years of which £2,840,843 has been released to the Statement of Comprehensive Income to date.

**12. RESERVES**

**UNRESTRICTED FUNDS**

	Investments Revaluation £	Property Revaluation £	Revenue Fund £	Total 2025 £	Total 2024 £
At 31 March 2023	1,285,846	1,621,632	9,617,652	12,525,130	12,928,153
<b>Year ended 31 March 2024:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	238,359	238,359	(17,033)
Amortisation of grant - current year	-	-	64,599	64,599	64,599
Transfers between reserves	-	-	5,183	5,183	20,918
Revaluation	214,954	-	-	214,954	(471,507)
At 31 March 2024	<u>1,500,800</u>	<u>1,621,632</u>	<u>9,925,793</u>	<u>13,048,225</u>	<u>12,525,130</u>
<b>Year ended 31 March 2025:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	686,203	686,203	238,359
Amortisation of grant - current year	-	-	64,599	64,599	64,599
Transfers between reserves	-	-	(1,507)	(1,507)	5,183
Revaluation	(641,392)	-	-	(641,392)	214,954
At 31 March 2025	<u>859,408</u>	<u>1,621,632</u>	<u>10,675,088</u>	<u>13,156,128</u>	<u>13,048,225</u>

**DESIGNATED FUNDS**

	Community, Health & Wellbeing Fund £	Development Fund £	Component Accounting Fund £	Cyclical Maintenance Fund £	Extraordinary Repair Fund £	2025 Total £	2024 Total £
At 31 March 2023	47,525	399,558	1,594,941	700,000	1,100,000	3,842,024	3,863,370
Income	-	-	-	-	-	-	-
Transfer from unrestricted funds	(750)	(4,861)	-	-	-	(5,611)	(21,346)
At 31 March 2024	46,775	394,697	1,594,941	700,000	1,100,000	3,836,413	3,842,024
Income	-	-	-	-	-	-	-
Transfer from unrestricted funds	(550)	-	-	-	-	(550)	(5,611)
At 31 March 2025	<u>46,225</u>	<u>394,697</u>	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,835,863</u>	<u>3,836,413</u>

The Community, Health and Wellbeing Fund was created by the Trustees for the wellbeing of the residents and the community.

The Development Fund was created by the Trustees to set aside for future developments.

The Component Accounting Fund was created to comply with the change to Housing Regulations in 2011.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2025**

**12 RESERVES (continued)**

The Cyclical Maintenance Fund provides a fund for routine repairs, should income from the housing stock be insufficient to meet these costs.

The Extraordinary Repair Fund provides a fund for major repairs, should annual income be insufficient to meet these costs.

<b>RESTRICTED</b>	<b>Fuel Land Allotment Fund</b>	<b>Residents' Donations</b>	<b>Reserve for recoupment of Capital expenditure</b>	<b>2025 Total</b>	<b>2024 Total</b>
	£	£	£	£	£
At 31 March 2023	-	1,448	200,172	201,620	188,176
<b>Year ended 31 March 2024:</b>					
Income	-	-	13,520	13,520	13,016
Expenditure	-	-	-	-	-
Transfers between reserves	-	-	428	428	428
At 31 March 2024	-	1,448	214,120	215,568	201,620
<b>Year ended 31 March 2025:</b>					
Income	19,994	-	14,350	34,344	13,520
Expenditure	(21,623)	-	-	(21,623)	-
Transfers between reserves	1,629	-	428	2,057	428
At 31 March 2025	-	1,448	228,898	230,346	215,568

**13. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Property revaluation reserve</b>	<b>Investment revaluation reserve</b>	<b>Total funds 2025</b>	<b>Total funds 2024</b>
	£	£	£	£	£	£	£
<b>Fixed assets:</b>							
Housing properties	12,398,161	-	-	-	-	12,398,161	12,484,656
Office Equipment	13,898	-	-	-	-	13,898	8,506
Fuel Land Allotments	-	-	38,368	411,632	-	450,000	450,000
Investments	853,628	3,814,941	120,146	760,000	859,408	6,408,123	6,416,469
Investment properties	-	-	-	450,000	-	450,000	450,000
Investments-Cash	186,574	-	-	-	-	186,574	160,162
<b>Current assets:</b>							
Debtors	72,667	-	-	-	-	72,667	70,617
Cash at bank	210,776	20,922	71,832	-	-	303,530	273,634
<b>Current liabilities:</b>							
Creditors	(273,474)	-	-	-	-	(273,474)	(338,832)
Long Term Liabilities	(2,787,142)	-	-	-	-	(2,787,142)	(2,875,006)
	<u>10,675,088</u>	<u>3,835,863</u>	<u>230,346</u>	<u>1,621,632</u>	<u>859,408</u>	<u>17,222,337</u>	<u>17,100,206</u>

**14. PAYMENTS TO CREDITORS**

The Finchley Charities endeavours to settle suppliers' accounts within 30 days of receipt of invoices.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2025**

**15. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 01 Apr 2024</b>	<b>Cash flows</b>	<b>Other non- cash changes</b>	<b>At 31 Mar 2025</b>
	£	£	£	£
<b>Cash and cash equivalent</b>				
Cash at bank & in hand	273,634	29,896	-	303,530
Investment cash	160,162	26,412	-	186,574
	<b>433,796</b>	<b>56,308</b>		<b>490,104</b>
<b>Borrowings</b>				
Debt due within one year	(53,305)	35,985	(23,265)	(40,585)
Debt due after one year	(1,081,611)	-	23,265	(1,058,346)
	<b>(1,134,916)</b>	<b>35,985</b>	<b>-</b>	<b>(1,098,931)</b>
<b>Total</b>	<b>(701,120)</b>	<b>92,293</b>	<b>-</b>	<b>(608,827)</b>

**16. STATEMENT OF COMPREHENSIVE INCOME FOR THE COMPARATIVE PERIOD**

	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>2024</b>	<b>Total</b>
	£	£	£		£
<b>INCOME FROM HOUSING</b>					
Social Housing lettings	1,933,538	-	-		1,933,538
Operating expenditure	(1,882,877)	-	-		(1,882,877)
<b>HOUSING ACTIVITY SURPLUS</b>	<b>50,661</b>	<b>-</b>	<b>-</b>		<b>50,661</b>
Profit on sale of investments	42,282	-	-		42,282
Investment property income	74,064	-	13,520		87,584
Interest receivable and similar income	231,420	-	-		231,420
Interest payable	(82,543)	-	-		(82,543)
Donations received	1,675	-	-		1,675
Other expenditure	-	-	-		-
Donations payable	(14,601)	-	-		(14,601)
	<b>252,297</b>	<b>-</b>	<b>13,520</b>		<b>265,817</b>
<b>Surplus before revaluation gain on investments and transfers</b>	<b>302,958</b>	<b>-</b>	<b>13,520</b>		<b>316,478</b>
Revaluation gain/(loss) on investments	214,954	-	-		214,954
Transfers between funds	5,183	(5,611)	428		-
<b>SURPLUS FOR THE YEAR</b>	<b>523,095</b>	<b>(5,611)</b>	<b>13,948</b>		<b>531,432</b>
<b>Reserves brought forward</b>	<b>12,525,130</b>	<b>3,842,024</b>	<b>201,620</b>		<b>16,568,774</b>
<b>Reserves carried forward</b>	<b>13,048,225</b>	<b>3,836,413</b>	<b>215,568</b>		<b>17,100,206</b>

**17. CHARITY SCHEME**

The Charity Scheme provides that the Finchley Charities will make annual grants to local Church charities, providing it has the necessary financial resources. In 2025 grants to local Churches amounted to £12,075 (2024 £12,075).

**18. CAPITAL COMMITMENT**

As at 31 March 2025 there were no capital commitments (2024: none).

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2025**

**19. OPERATING LEASE COMMITMENTS**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under operating leases, which fall due as follows:

	<b>2025</b>	<b>2024</b>
Within one year	3,548	-
Between 2 and 5 years	5,590	-
	<u><u>9,139</u></u>	<u><u>-</u></u>

**THE FINCHLEY CHARITIES**

England & Wales - Charity number 206621

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# Accounts

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**THE FINCHLEY CHARITIES**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Accountants:**

Alwyns LLP  
Chartered Accountants  
Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

**Office:**

41a Wilmot Close  
East Finchley  
London  
N2 8HP

**THE FINCHLEY CHARITIES**

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**for the Year Ended 31 March 2024**

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## THE FINCHLEY CHARITIES

<b>REGISTRATION</b>	By the Almshouse Association (Number 91) By the Charity Commission (Number 206621) By the Regulator of Social Housing (formerly HCA) (Number A0185)	
<b>PRINCIPAL OFFICE</b>	41a Wilmot Close East Finchley London N2 8HP	
<b>CHARITY WEBSITE</b>	<a href="http://www.thefinchleycharities.org">www.thefinchleycharities.org</a>	
<b>TRUSTEES</b>	Michael Pughsley (C) – Chair Adam Gheasuddin (N) Ian Anderson (C) – Vice Chair (Resigned 19 February 2024) Cllr Danny Rich (N) Cllr Kathy McGuirk (N) The Rev. Philip Davison (E) Mr Graham Old (C) Richard Merrin (C) Nigel Benjamin (C) Leila Satar (C) Susanna Morales Chinyere Ugwu (C) – Vice Chair from 19 February 2024  (C) Co-opted (E) Ex-Officio (N) Nominated by London Borough of Barnet	
<b>FULL TIME CHIEF EXECUTIVE:</b>	Ms Carmel Miedziolka MBA CIHCM – appointed January 2023 as interim CEO and permanent CEO from 1 May 2023	
<b>MANAGERS</b>	Head of Operations: Olu Babalola CIHCM – Appointed November 2023 Property Services Manager: Kevin Duberry Housing Services Manager: Ms Claire Young - Resigned June 2023	
<b>ACCOUNTANTS/AUDITORS</b>	Alwyns LLP Chartered Accountants Crown House, 151 High Road Loughton Essex IG10 4LG	Brindley Millen Limited Chartered Accountants & Registered Auditors 167 Turners Hill Cheshunt Hertfordshire EN8 9BH
<b>BANKERS</b>	Barclays Bank plc 1250 High Road London N20 0PB	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
<b>INVESTMENT MANAGERS</b>	Rathbones (Investec Wealth & Investment Limited) 30 Gresham Street London EC2V 7QN	
<b>SOLICITORS</b>	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT	

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES for the Year Ended 31 March 2024

#### **Constitution**

The Finchley Charities was founded in 1488 and operates under a Charity Scheme from the Charity Commission dated 3 March 2011 and also as a Registered Social Landlord.

The scheme states that the area of benefit extends into the London Borough of Barnet. The eligibility for residency applies to persons of limited means, aged 55 and above who find it difficult to find suitable and affordable housing for themselves and who are in need of support. The Finchley Charities also operates a Relief in Need fund for local persons and organisations requesting financial assistance subject to certain conditions.

The Finchley Charities own the Fuel Land Allotments. The day-to-day management is delegated to a voluntary management committee.

#### **Objectives**

The objectives of The Finchley Charities are the relief of poverty in the London Borough of Barnet. It does this by providing sheltered housing accommodation to beneficiaries over the age of 55 and donations to parish churches, individuals and organisations. Donations to the parish churches take precedence and are to be applied towards the upkeep and repair of the fabric of the church buildings. Other donations must not be recurrent or be applied to public funds or in relief of rates and taxes.

#### **Values, Mission and Vision**

During 2024 Residents, Colleagues and Trustees renewed and refreshed the Core Values of The Finchley Charities and were excited to confirm them as: Community, Inclusion, Support, Security and Quality. We are now working to further embed these Core Values into our culture by integrating them into training, performance evaluations, recognition programmes, and decision-making processes so that they remain a central part of the Charity.



**Community:** The Finchley Charities provides a caring service where respect for all is paramount.

**Inclusion:** The Finchley Charities work in conjunction with trusted, local partners to deliver a holistic service for its residents.

**Support:** The Charity prides itself on providing a friendly, caring and welcoming environment where residents can live independently and feel safe and listened to.

**Security:** Residents of The Finchley Charities enjoy a peaceful, safe neighbourhood, a refuge in older age.

**Quality:** The Finchley Charities provides high quality, accessible homes for the local community delivering an independent lifestyle for all.

#### **Our Values**

Our Values shape how we deliver our Mission and Vision.

#### **Our Mission**

The Finchley Charities enhances lives by providing good quality homes, allotments and grants, together with excellent support services to tackle social isolation, loneliness and improve wellbeing.

#### **Our Vision**

To become the leading community housing charity that is centred on providing a trusted, secure and safe environment for older people.



## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2024**

#### **Governance**

The Trustees have established systems and processes that determine strategic direction and policies. These are regularly reviewed. The Trustees also determine short, medium and long-term priorities, and review associated risks.

The Trustees give day-to-day authority to the managers but delegate to their Chief Executive, the responsibility to ensure compliance with their policies and procedures and to liaise as required with their professional advisors and regulatory bodies. All Trustees are volunteers. Co-opted Trustees are selected for their experience and complementary skills. The London Borough of Barnet is entitled to nominate three Trustees.

The Trustees meet formally a minimum of four times a year. In addition, there are four Committees; Finance and Information Technology (IT), Property Services, Housing and Support Services and Fuel Land Allotments. All Committees meet at least four times a year.

The Finance and IT Committee has responsibility for reviewing internal and external Audit reports and HR. The Trustees review the financial position at each meeting and consider all proposals made by the Finance and IT Committee.

All Committees meet more regularly as and when the need arises.

The principal role of the Trustees is to provide and review the strategic direction, have financial oversight, adopt a Budget, ensure income is applied within a reasonable time, obtain necessary assurances the organisation complies with the law and regulation and oversee the work of the Committees and the Chief Executive.

To ensure good governance and compliance with the National Housing Federation's Code of Governance following a governance review during 2020, The Finchley Charities undertook a review of the governing documents during the period which included:

1. The Charity Scheme.
2. Governance procedures.
3. Trustees Code of Conduct.
4. An action plan to ensure The Finchley Charities are compliant with the NHF's Code of Governance to ensure good governance continues to be in place.

A refresh of the Governance Review is currently in progress.

#### **Control Environment/Procedures**

The Trustees have delegated authority and established lines of responsibility accordingly. Business and management controls set standards of professionalism and integrity for operations, which are managed by experienced and suitably qualified persons.

The Trustees believe that relative to the number of staff, The Finchley Charities has adequate and effective key internal controls.

Policies and procedures are written, implemented and followed. Policies and procedures are regularly reviewed and ratified by Trustees. The review timeframe is dependent on the policy, regulatory requirements and best practice. The introduction of new policies is considered and ratified by Trustees.

#### **Risk Management**

The Finchley Charities has a risk management plan. The major risks to which The Finchley Charities is exposed, as identified by the Trustees, are regularly reviewed and steps taken to mitigate those risks.

The Finchley Charities' risks are reviewed regularly and tabled at Trustee meetings to ensure robust risk management is in place. A Risk Management Working Group has been set up as part of the Finance and IT Committee's workplan.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the Year Ended 31 March 2024

#### **Fire Risk Assessment**

We use a third party to conduct our regular external Fire Risk Assessments. This year the Fire Risk assessor presented their findings to the new Health and Safety Committee which, together with the Senior Leadership Team, oversee the completion of the actions, improvements and training recommended for the Charity. All services have been graded Tolerable and are compliant.

#### **Community Engagement & Fundraising**

The level of enthusiasm amongst the Residents of The Finchley Charities for Community related opportunities is high. This was evidenced during 2023-24 by Residents confirming "Community" as one of the Charity's core values, their responses to The Tenant Satisfaction Measures Survey and in other interactions with our Colleagues. We estimate that between 20 to 30% of all Residents are interested in accessing community training and volunteering opportunities and there have been a number of such opportunities during the year.

Hence, we continue to actively develop links with our local communities, peers and key stakeholders prior to identifying appropriate local improvement opportunities and prioritising projects / resources, funding and a fundraising pipeline. An example of such closer engagement is our work on the Fuel Land Allotments. This resource of 122 allotment plots is held by The Finchley Charities in perpetuity for individuals who live in Barnet. This year, we started converting one of the plots into a "Community Plot" to provide opportunities for volunteers to grow fresh produce for those in food poverty while also creating a calm, safe environment for those in our local community such as asylum seekers, marginalised groups and vulnerable school children, to socialise outside with others, learn a little about horticulture and, at harvest time, eat fresh fruit and vegetables. The Community Plot provides fresh food for the Finchley Food Bank to distribute and has been supported by volunteers from the Finchley Food Bank, St Mary's RC East Finchley, local asylum seekers, via The Finchley Progressive Synagogue, Residents of The Finchley Charities, Fuel Land Allotment plot holders and people from the local area. Additional volunteer support is planned by working for example with local organisations such as GoodGym Barnet and corporate volunteers including James Hambro & Partners and MNM Property Services Ltd who have both signed up to help.

Where additional finance is needed, we have submitted bids for grant funding such as our request to the National Lottery Community Fund for £20,000 for an accessible waterless toilet for the Fuel Land Allotments.

The Finchley Charities is also partnering with national and local organisations to better understand and, where possible, to support their objectives and activities. Hence, we work with the Somali Bravanese Welfare Association, and Age UK and have given a grant to The Finchley Progressive Synagogue to help them create a safe welcoming space every week for asylum seeker families. We are also working closely with local schools to deliver intergenerational impact such as providing work experience for some of the students or holding allotment and community brunches. Our partners here include The Pavilion School (N20), Oak Lodge School, Queen Elizabeth Girls School, North London Grammar School and Barnet College. In addition, we are working with Age UK to support older people who want to meet, share and learn new craft skills.

#### **Information Systems**

In order to keep overheads costs down financial management and accounting is outsourced and processed by the bookkeeping department of Alwyns LLP from detail provided by the staff of The Finchley Charities and information provided by the Investment Manager, Rathbones (Investec Wealth & Investment). PC based systems with standard software packages are used for this purpose.

The annual budget is approved by the Trustees. The Chief Executive and Alwyns LLP report on significant adverse variances to the Finance and IT Committee. Management accounts are produced monthly for review by the Chief Executive, Chairman of the Finance and IT Committee and Alwyns LLP. Rathbones (Investec Wealth & Investment) provide investment reports to members of the Finance and IT Sub-Committee on a quarterly basis for review and updates the committee twice a year by presentation. Minutes of these meetings are presented for discussion at the next Trustees Meeting / Board.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the Year Ended 31 March 2024

#### **Monitoring Systems**

The Chief Executive is responsible for the performance of the staff in relation to policies, procedures and budgets set by the Trustees.

Operational issues may be reported to the Finance and IT Committee or to the Chair if quick decisions are required. The Minutes of all Meetings are approved by the appropriate Committee Chairs and reported to the next full Trustees Meeting / Board for information and ratification.

During 2023/24, HR administration was outsourced to BestStart Human Resources, and we are using an online database tool CitrusHR (now SafeHR) as part of our drive to safeguard, digitise and simplify our systems and record keeping.

#### **Reserves Policy**

The Trustees have adopted a reserves policy which they consider appropriate to:

- a) Provide annual amounts for future cyclical repairs and maintenance;
- b) Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for at least one year ahead;
- c) Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the amounts in Designated and Restricted Reserves;
- d) Purchase investments which provide income from which, make it possible to subsidise the weekly maintenance contributions charged to Residents of the Almshouses and thus fulfilling one of its charitable objectives.

The Trustees keep the level of reserves under regular review to ensure that they are adequate and appropriate to meet the requirements of The Finchley Charities. The Trustees aim to maintain the free reserves at a level of 3-6 months of expenditure. The current level of free reserves meets this policy.

#### **Employees**

The Finchley Charities places great emphasis on the contribution of its employees. The Trustees want to place on the record thanks and appreciation for their dedicated work throughout another very difficult year. Colleagues maintained good and safe links with Residents, ensuring high morale throughout the challenges experienced.

During 2023/24, Trustees employed a Senior Leadership Team comprising of the Chief Executive, a Head of Operations, a Property Services Manager and a Sheltered Housing Manager. The team was supported by four Sheltered Housing Officers, a Property Services Officer, a Business Support Officer, an Administrator and a temporary Digital Inclusion Officer. A performance management framework is in place to ensure all staff and the Chief Executive are supported, provided with regular 1-2-1s and yearly appraisals together with performance delivery plans. The Chair of The Finchley Charities carries out the yearly appraisals and 1-2-1s for the Chief Executive and reports performance to the Board. The Finchley Charities is committed to training and development of all staff. The framework ensures Colleagues at all levels have the opportunity to meet, raise and discuss issues with their Manager, the Chief Executive and ultimately the Trustees.

#### **Equality and Diversity Policy**

The Trustees are committed to eliminating discrimination and promoting equality of opportunities for all Colleagues and Residents. The Core Values and Mission of The Finchley Charities are based on valuing our diversity and enabling everyone within our organisation, staff and residents alike, to thrive and to support each other. As an employer of a diverse workforce there is representation at all levels from the front line staff through to the Senior Leadership team and Board and we are committed to tackling all forms of inequality whether structural or personal wherever this may occur.

As part of this commitment, we have commissioned The Social Justice Collective to undertake an Equality Diversity and Inclusion (EDI) Audit with their report due in July 2024. This work involves an audit of our key policies, systems, processes and culture. A number of focus groups have been set up with Residents, Colleagues, the Senior Leadership Team and Trustees. In addition to this piece of work we have signed up to Social Housing Anti-Racism Pledge (SHARP) and aim to develop an EDI vision and action plan together with a new EDI policy which will also be available in July 2024. Together, this work will inform our annual report detailing how our services are experienced by people with protected characteristics and generate an action plan for further analysis or improvement plans where needed.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2024**

#### **Trustees Liability Insurance**

As allowed by its mandate, the Trustees have taken out cover of £500,000.

#### **Investment Policy**

The overall objectives are to create sufficient income and capital growth to enable The Finchley Charities to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. Both capital and income may be used at any time for the furtherance of The Finchley Charities' aims.

#### **Ethical Considerations**

The Trustees wish to preclude investment in tobacco and these are defined as companies with more than 20% of their turnover in this activity.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding particular investments which damage The Finchley Charities' reputation.

Trustees expect the Investment manager to have considered the suitability of investments.

#### **Principal Funding Sources**

Charges made to Residents for accommodation and Income and Profits from Investments.

#### **Appointments and Training of New Trustees.**

Three Trustees are nominated by the London Borough of Barnet and the Ex-Officio Trustee is the Rector of St Mary-at-Finchley Church Rev Philip Davison.

Possible candidates for Co-opted Trusteeship are usually known and nominated by existing Trustees and appointed by the Trustees as a body. Following the Governance Review in 2020, Trustees made the decision to advertise future vacancies. Trustees appoint new Trustees for their specific skills and knowledge following a skills gap analysis. The Chief Executive has the delegated responsibility for providing training.

During 2023/24 The Finchley Charities recruited one new trustee nominated from the London Borough of Barnet. Recruitment of new Trustees is on-going so as to ensure succession planning for 2025/26.

This year also saw the resignation in February 2024 of Ian Anderson from his role as a Trustee. Ian has served as a Trustee of the charity for many years, and we are deeply grateful for his commitment to our Mission and the wisdom and energy he freely offered.

#### **Key Decisions**

The Trustees make all Key Decisions including the ratification of decisions delegated to the Chair or the Chair of the Finance and IT sub-committee.

#### **Activity, Performance Review and Future Plans**

2023/24 was again a challenging year with continuing high inflation, spiralling cost of repairs and maintenance and high Bank of England base rates resulting in higher interest payment on our loan. However, The Finchley Charities have continued to carry out the core services to a good level.

During the year we experienced 9 voids, which is 5.2% of The Finchley Charities' housing stock, in comparison to 21 voids in 2022/23. The Finchley Charities has continued to reach out to the local community ensuring that colleagues are supported to turn voids around, carrying out the refurbishments necessary to re-let.

There was 100% occupancy at 31 March 2024.

Further challenges experienced were due to the issues faced by contractors, the difficulties with the labour market and the unprecedented increase in cost of materials which affected turning voids around in the expected timeframes.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2024**

#### **The organisation strategy**

The organisation strategy is further developed to plan longer term ambitions, to build further homes, reviewing and improving services, processes and governance. The organisational strategy has been reviewed and refreshed with a new strategy planned. The Strategic Planning Day has been set for 21<sup>st</sup> September 24 and a further review to take place on the 11<sup>th</sup> November 24

#### **Asset Management**

Trustees are committed to ensure the Charity has a well maintained to a high-quality standard housing stock and the resources to keep these homes in good condition. Regular stock condition surveys enable the Charity to maintain an up-to-date register of the works needed to ensure that the accommodation provided both meets with the Decent Homes Standards and is maintained at a good standard for all Residents (i.e. accommodation in a reasonable state of repair, with modern facilities and services and a reasonable degree of thermal comfort). Such surveys enable an understanding of future financial commitments within a 5-to-30-year horizon and inform the 5-year rolling programme of planned repairs and major refurbishment needed.

During 2022/23, the surveyor Faithorn Farrell Timms (FFT) was commissioned to undertake a comprehensive stock condition survey of all The Finchley Charities properties. The results led to the Charity's latest 5-year rolling programme of works and underpinned the procurement of a property services contractor who now conducts the majority of our building fabric repairs.

The stock condition survey by FFT also identified the energy performance certificates (EPCs) of all of our properties. These EPCs describe the performance and sustainability of each property and inform the decarbonisation improvement works required for each property to achieve the Trustees' aim of minimum ratings of C across the portfolio. Such decarbonisation has resulted in a substantial number of boiler, window and door replacements with further retrofitting planned to achieve the "C" EPC ratings targeted.

Key Building and safety works were completed throughout the year included upgrades at the three services for example all Fire Doors at Pewterers were renewed and refreshed and this work was supplemented by upgrading and replacing the compartmentalisation. At Homefield Gardens, consultants from Elektra carried out a project to review the current external lighting and produced lighting designs to improve lighting externally around the site. Resident consultations took place showing the proposed designs and examples of products recommended. Installation work was completed in January 2024.

A defibrillator was installed at each of our three schemes.

#### **Asset Development Appraisal**

The Finchley Charities continue to review its cost base and asset management, particularly with regard to financial efficiencies, value for money and standards for property refurbishments and maintenance, whilst being mindful of keeping a good standard of accommodation expected for Residents.

The Trustees are also committed, if able, to develop more homes needed in the area of benefit. During 2021/22, Campbell Tickell were commissioned to appraise all The Finchley Charities' stock and land to investigate and explore opportunities for the future development of new homes. This year, we held discussions with Sheridan Limited to plan the development of new homes in the area of benefit during 2024/25.

#### **Health & Wellbeing**

The organisational focus on Health and Well-being for Residents continues, focusing on activities and events to promote good mental health, promote a good community, reduce social isolation and loneliness.

Sheltered Housing Officers maintain regular contact with all beneficiaries and identify those most at risk of isolation so as to increase their contact and support as required. During the past few years, The Finchley Charities' IT improvement programme included moving all the IT and telephone systems to the cloud and the upgrade to the community alarm systems in beneficiaries' homes.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2024**

Face to face support has been enhanced together with the opening of additional communal facilities. Staff are now working towards resuming health and well-being activities and events and a number of community social opportunities have been created including:

- Money Matters and Scam Prevention – delivered with Age UK
- First Aid training for Residents
- Intergenerational projects including art and music classes and volunteering work at the Community Allotment
- Community Brunches.

#### **Grounds, Gardens and Green Space**

It is so important for Residents to socialise and be part of a community which contributes to the reduction of social isolation. The Finchley Charities ensures the grounds, gardens and green space are well maintained to benefit the health & wellbeing of Residents. Trustees would like to thank the gardeners for their commitment and hard work for making sure the gardens remained beautiful and accessible for our beneficiaries to enjoy, socialise and be part of a community. Trustees would also like to thank those Residents who also contributed to ensure the gardens were well maintained. Maintaining the grounds and gardens remains a priority.

#### **Resident Engagement and Satisfaction**

Resident engagement is about asking the experts (our Residents) about how we should run our services. We want to ensure that they are able to influence, shape, and decide on how services are delivered from the day to day running of our supported housing and individual's personal support plans through the delivery of repairs services to the strategic decision making of the Board.

This has always been central to The Finchley Charities' way of working with most systems and mechanisms for engaging Residents being face-to-face individual and group discussions.

We consulted all residents through the annual Tenants Satisfaction Measures (TSM) Survey, service user advisory panel and Residents' meetings with formal Resident Engagement sessions held at least quarterly involving Residents from all schemes, Colleagues and Trustees. We have also been learning from other feedback such as complaints and reporting back on this to Residents.

We endeavour to use such sessions to surface and highlight Residents' issues and make their involvement both a reality and their issues a precursor to action whenever possible. Our intention is to maintain frequent and open communications in order to build the confidence of Residents in our ability as a landlord to support them. Our TSM survey showed that 85% of Residents who responded were either very satisfied or fairly satisfied with the overall service they receive from The Finchley Charities with 11 of the 12 areas surveyed being in the upper quartile of sector results.

Resident Engagement sessions are opportunities for Colleagues and Trustees to learn about the challenges faced by our Residents, and then follow through with managed actions and outcomes that support and demonstrably benefit our Residents. Key areas of activity include:

- Security and signage
- Car parking
- Digital inclusion
- Health and wellbeing
- Health and Safety

Residents' meetings have been held at every scheme to review 'Fire Safety' and scheme specific matters and a Health and Safety Committee mobilised in September 2023 where six elected Residents, work together with Colleagues in a committee chaired by a Trustee. The Health and Safety Committee meets quarterly with minutes of the sessions posted on scheme noticeboards and available to all Residents.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the Year Ended 31 March 2024

#### **Public Benefit**

The Finchley Charities provide accommodation for those beneficiaries of limited means who have lived within the boundaries of the London Borough of Barnet as set out in the scheme of 2011 registered with the Charities Commission.

Each year the Trustees review The Finchley Charities' objectives, to ensure they continue to reflect The Finchley Charities' aims. In carrying out this review, the Trustees have complied with the duty in section 17(s) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Donations and Grants**

The Finchley Charities made the following donations and grants during the year:

Local Church Donations	£12,075
Other	£2,526

A grant is defined as a financial award made by The Finchley Charities from its funds to support charitable activities, usually to registered charities, charitable community groups and individuals experiencing hardship.

Trustees' grant making policy has no restrictions imposed on the purpose for which grants may be made, as long as the criteria outlined in the Charity Scheme are met. Trustees will award grants when they believe the grant will make a difference and will have an impact in the area of benefit. All applicants will be considered if the organisation or individual can demonstrate the following:

- Need and impact
- The organisation applying for a grant is a registered charity in the UK and operates in the area of benefit – the London Borough of Barnet
- An individual applying for a grant resides in the area of benefit and can demonstrate hardship.

Grants awarded will vary in amount.

All grants are considered at The Finchley Charities' Housing and Support Services Committee on a quarterly basis then ratified by the Finance and IT sub-committee and the Trustees of The Finchley Charities, before grants are awarded in line with The Finchley Charities' charitable objectives.

During 2023/24, we continued to limit the number of grants provided due to the large amount of investment made into the major works programme, for the much-needed work required to be undertaken to The Finchley Charities' assets during a difficult and challenging year. We will continue to provide grants during 2024/25 which will be kept under review.

#### **Overall performance**

Performance indicators:

	2024	2023
Operating margin before revaluation		
gain on investments	16%	3%
Occupancy	99%	98%
Rent collected	98%	99%
Overheads as a percentage of maintenance contributions	80%	93%
Cost per unit	£8,676	£9,323
Working capital	£123,323	£49,259

The Finchley Charities' operating margin has increased following an improved performance on the investments and as the charity continues to invest in its properties whilst maintaining a 98% occupancy and rent collected remains consistent. The working capital has improved from the previous year but continues to be low due to the continued investment in our properties through our planned 'major works' programme.

**THE FINCHLEY CHARITIES**

**REPORT OF THE TRUSTEES (continued)**  
**for the Year Ended 31 March 2024**

**Financial Review of the Year**

The surplus before revaluation losses/gains on investments for the 12 months period was £316,478 (2023 – £60,582).

The results for the year excluding the increase or decrease in the value of investments may be summarised as follows:

	<b>2024</b>	<b>2023</b>
	£	£
Income from Housing	1,868,939	1,716,825
Direct costs	(415,180)	(347,159)
	<u>1,453,759</u>	<u>1,369,666</u>
Administration costs	(622,827)	(685,256)
Depreciation	(357,060)	(351,486)
Loss on replacement of components	(33,537)	(43,805)
Grant Amortisation	64,599	64,599
	<u>504,934</u>	<u>353,718</u>
Cyclical Maintenance Fund costs	(454,273)	(571,161)
Housing activity surplus/(deficit)	<u>50,661</u>	<u>(217,443)</u>
Other income less donations paid	223,535	243,635
Operating Surplus	<u>274,196</u>	<u>26,192</u>
Profit on sale of investments	42,282	34,390
Surplus for the year before revaluation	<u>316,478</u>	<u>60,582</u>
Gains/(losses) on investments	<u>316,478</u>	<u>60,582</u>

The Finchley Charities complies with the Statement of Recommended Practice (SORP) for Registered Social Landlords in the presentation of its Financial Statements.

**THE FINCHLEY CHARITIES**

**REPORT OF THE TRUSTEES (continued)**  
**for the Year Ended 31 March 2024**

**Overview**

The Finchley Charities is aware of its status as a Charity and that it has always subsidised accommodation which The Finchley Charities offers. The Finchley Charities has endeavoured to principally use investment income to pay for essential extraordinary repairs and capital costs. The Finchley Charities reviews its investment performance on a regular basis with its Investment Managers throughout the year.

The surplus shown above continued to contribute to the reserves, which are therefore considered adequate to support The Finchley Charities' objectives in the future. The Statement of Financial Position shows a increase in reserves to £17,100,206 at 31 March 2024 which are largely represented by the stock of housing accommodation. The free reserves (unrestricted reserves less fixed assets, deferred government grant and loans) at 31 March 2024 were £425,541.

The Finchley Charities continues to retain the services of professionally qualified staff who are keen to continue the development of The Finchley Charities' targets.

The Finchley Charities' auditors have confirmed that we have an adequate financial position. We have ambition to maintain and improve this position in order that we may be able to offer more grants to those organisations who offer assistance to those in need in Barnet.

It should be acknowledged that the Trustees are not remunerated for their often-considerable work, therefore, Trustees Liability Insurance is in place to protect them from personal liability as far as is possible.

**Responsibilities of the Trustees**

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


The law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare The Finchley Charities' financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of The Finchley Charities and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Finchley Charities will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain The Finchley Charities' transactions and disclose with reasonable accuracy at any time the financial position of The Finchley Charities and enable them to ensure that the financial statements comply with the Charities Act, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2022 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018 update). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees:

  
.....  
Chairman – M. Pughsley

  
.....  
Trustee – G. Old

29/7/24  
.....  
Date

## THE FINCHLEY CHARITIES

### REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES for the Year Ended 31 March 2024

#### **Opinion**

We have audited the financial statements of The Finchley Charities (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of The Finchley Charities' affairs as at 31 March 2024 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

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

## THE FINCHLEY CHARITIES

### REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued) for the Year Ended 31 March 2024

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

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

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Finchley Charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.

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 Report of the Independent Auditors.

**THE FINCHLEY CHARITIES**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)**  
**for the Year Ended 31 March 2024**

**Use of our report**

This report is made solely to The Finchley Charities' Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Finchley Charities and The Finchley Charities' Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Maurice Brindley BSc FCA (Senior Statutory Auditor)  
for and on behalf of Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

Date: 20/8/2024

**THE FINCHLEY CHARITIES**


**STATEMENT OF COMPREHENSIVE INCOME**  
**for the Year Ended 31 March 2024**

		Unrestricted funds	Designated funds	Restricted funds	2024 Total	2023 Total
	Note	£	£	£	£	£
<b>INCOME FROM HOUSING</b>						
Social housing lettings	2	1,933,538	-	-	1,933,538	1,781,424
Operating expenditure	2	(1,882,877)	-	-	(1,882,877)	(1,998,867)
<b>HOUSING ACTIVITY SURPLUS</b>	3	<u>50,661</u>	-	-	<u>50,661</u>	<u>(217,443)</u>
Profit on sale of investments		42,282	-	-	42,282	34,390
Investment property income		74,064	-	13,520	87,584	80,034
Interest receivable and similar income	4	231,420	-	-	231,420	229,132
Interest payable		(82,543)	-	-	(82,543)	(51,591)
Donations received		1,675	-	-	1,675	720
Other expenditure		-	-	-	-	-
Donations payable		(14,601)	-	-	(14,601)	(14,660)
		<u>252,297</u>	-	<u>13,520</u>	<u>265,817</u>	<u>278,025</u>
<b>Surplus before revaluation gain/(loss) on investments and transfers</b>		<b>302,958</b>	-	<b>13,520</b>	<b>316,478</b>	<b>60,582</b>
Net revaluation gain/(loss) on investments	8a	214,954	-	-	214,954	(471,507)
Transfers between reserves	12	5,183	(5,611)	428	-	-
<b>Surplus/(Deficit) for the year before revaluation of fixed assets</b>		<u>523,095</u>	<u>(5,611)</u>	<u>13,948</u>	<u>531,432</u>	<u>(410,925)</u>
		-	-	-	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>523,095</b>	<b>(5,611)</b>	<b>13,948</b>	<b>531,432</b>	<b>(410,925)</b>
<b>Reserves brought forward</b>		<u>12,525,130</u>	<u>3,842,024</u>	<u>201,620</u>	<u>16,568,774</u>	<u>16,979,699</u>
<b>Reserves carried forward</b>		<u><b>13,048,225</b></u>	<u><b>3,836,413</b></u>	<u><b>215,568</b></u>	<u><b>17,100,206</b></u>	<u><b>16,568,774</b></u>

The Finchley Charities has no other recognised gains or losses other than the results for the year as set out above. All the activities of The Finchley Charities are continuing.

Approved and authorised for issue by the Trustees on 29/7/24

  
.....  
Chairman - M. Pughsley

  
.....  
Trustee - G. Old

The notes on pages 18 to 27 form part of these financial statements.

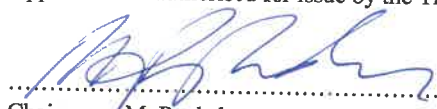
**THE FINCHLEY CHARITIES**

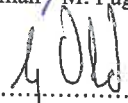
**STATEMENT OF FINANCIAL POSITION**

**As at 31 March 2024**

		2024		2023	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Housing Properties	7a		12,484,656		12,489,943
Fuel Land Allotments	7b		450,000		450,000
Office equipment	7a		8,506		5,151
			12,943,162		12,945,094
Investment Properties	7c		450,000		450,000
Investments - Shares	8a	6,416,469		6,036,507	
- Cash	8b	160,162		179,126	
			6,576,631	179,126	
			19,969,793	19,610,727	6,215,633
<b>CURRENT ASSETS</b>					
Debtors	9	70,617		51,709	
Cash at bank and in hand		273,634		168,334	
		344,251		220,043	
<b>CREDITORS: Amounts falling due within one year</b>	10	(338,832)		(287,217)	
<b>NET CURRENT(LIABILITIES)</b>			5,419		(67,174)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			19,975,212		19,543,553
<b>CREDITORS: Amounts falling due after more than one year</b>	10		(2,875,006)		(2,974,779)
<b>NET ASSETS</b>			17,100,206		16,568,774
<b>RESERVES</b>					
Revenue - unrestricted	12/13		9,925,793		9,617,652
Property revaluation reserve			1,621,632		1,621,632
Investment revaluation reserve			1,500,800		1,285,846
			13,048,225		12,525,130
Designated			3,836,413		3,842,024
Restricted			215,568		201,620
			17,100,206		16,568,774

Approved and authorised for issue by the Trustees on 29/7/24

.....  
  
 Chairman M. Pughsley

.....  
  
 Trustee - G. Old

The notes on pages 18 to 27 form part of these financial statements.

**THE FINCHLEY CHARITIES**  
**STATEMENT OF CASH FLOWS**  
**As at 31 March 2024**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Net cash from operating activities	352,118	119,323
<b>Cash flows from financing activities:</b>		
Mortgage capital movement	(33,703)	(43,454)
Interest paid on mortgage	<u>(82,543)</u>	<u>(51,591)</u>
Net cash flow from financing activities	<u>(116,246)</u>	<u>(95,045)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(333,674)	(638,430)
Purchase of other PPE	(7,170)	(1,465)
Purchase of investments (shares)	(891,711)	(725,368)
Proceeds from disposal of investments (shares)	800,441	628,931
Investment property income	87,584	80,034
Investment income	<u>194,994</u>	<u>185,023</u>
Net cash flow used in investing activities	<u>(149,536)</u>	<u>(471,275)</u>
Net increase/(decrease) in cash and cash equivalents in the reporting period	86,336	(446,997)
Cash and cash equivalents at beginning of the reporting period	<u>347,460</u>	<u>794,457</u>
Cash and cash equivalents at end of the reporting period (Note 15)	<u><b>433,796</b></u>	<u><b>347,460</b></u>
<b><u>RECONCILIATION OF NET INCOME/(EXPENDITURE)</u></b>		
<b><u>TO NET CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net income before revaluation gains on investments	316,478	60,582
<b>Adjustments for:</b>		
Depreciation charges	357,060	351,486
Loss on disposal of fixed assets	33,537	43,805
Amortisation of Grant	(64,599)	(64,599)
Investment property income received	(87,584)	(80,034)
Interest payable	82,543	51,591
Investment income received	(228,935)	(213,333)
Interest received	-	-
(Profit)/Loss on sale of investment (shares)	(42,282)	(34,390)
Decrease/(Increase) in debtors (less accrued investment income)	(16,423)	21,147
(Decrease)/Increase in creditors (less mortgage, deferred government grants and capital creditors)	2,323	(16,932)
Net cash provided from operating activities	<u><b>352,118</b></u>	<u><b>119,323</b></u>

## THE FINCHLEY CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2024

#### 1. **PRINCIPAL ACCOUNTING POLICIES**

##### **Legal Status**

The Finchley Charities is a registered charity (Registered Number 206621) and is registered with the Regulator of Social Housing (formerly Homes and Communities Agency) as a Private Registered Provider of Social Housing (Registered Number A0185) and the Almshouse Association (Registered Number 91). The registered office is 41a Wilmot Close, East Finchley, London N2 8HP.

##### **Accounting Convention**

The financial statements have been prepared in accordance with applicable accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice for registered social housing providers (SORP 2018 update). The principal activity of The Finchley Charities is to provide relief of poverty in the London Borough of Barnet. In accordance with FRS 102 (3.3 A), the charity is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting except for investment properties and investments which are included at fair value and are presented in sterling (£).

##### **Going concern**

The accounts have been prepared on the basis that it will continue as a going concern. There are sufficient reserves to enable The Finchley Charities to continue to achieve its objectives for the foreseeable future.

A summary of significant accounting policies is set out below.

##### **Income**

Income from Housing represents income receivable from accommodation net of any voids, amortised capital grants from Local Authorities, The Housing Corporation and the GLA and charitable donations measured at value of the consideration received or receivable.

##### **Fixed Assets, Housing Properties and Component Accounting**

Housing Properties held to provide a social benefit are stated at cost less accumulated depreciation and impairment losses. The Finchley Charities calculates depreciation by implementing component accounting. Estimated figures have been used where due to the elapse of time or the disproportionate cost of ascertaining the figures, it has not been possible to get actual information. This means that depreciation is charged based on the estimated useful life of each component within the housing properties as follows:

Structure	100 years
Roofs	60 years
Windows and Doors	30 years
Lifts	30 years
Plumbing	30 years
Electrics	30 years
Bathrooms	20 years and 30 years
Kitchens	20 years
Heating	20 years
Careline & safety systems	20 years
External structures	20 years
Office	20 years
Communal Hall	10 years

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the Year Ended 31 March 2024**

#### **Fixed Assets, Housing Properties and Component Accounting (cont'd)**

Housing stock under construction, together with interest on mortgage are capitalised but not depreciated until the property is occupied. Interest is capitalised in fixed asset housing properties up to the date of completion of capital works on each scheme. The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme.

Office equipment is depreciated at the rate of 25% on cost per annum.

#### **Social Housing Grant**

Government grants include grants receivable from the Homes & Communities Agency (HCA), local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in income from housing over the estimated useful life of the housing property components, under the accrual model.

Grants due from government organisations or received in advance are included as current liabilities.

#### **Impairment**

At each Statement of Financial Position date, housing schemes are assessed to determine if there are indicators that the scheme may be impaired in value; if there are such indicators of impairment, then a comparison of the scheme's carrying value compared to its recoverable amount, is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately.

#### **Investments**

Investments are measured initially at cost and subsequently at fair value (their market value) valued at market value at the Statement of Financial Position date. The Statement of Comprehensive Income includes the net gains and losses arising on revaluations and disposals throughout the year.

Investment properties are included in the Statement of Financial Position at fair value. The last revaluation was July 2018 carried out by Lambert Chartered Surveyors. Revaluation surpluses and deficits are recognised as part of the Statement of Comprehensive Income.

#### **Fuel Land Allotments**

This property came under the jurisdiction of The Finchley Charities in 1892 and laid out 113 allotments. The income from the holders was used to buy coal for poor people and pensioners. It later was used for fuel vouchers for Finchley Old People's Welfare. It is now incorporated in the latest scheme of 2011 to be rented out to allotments holders who fall in the area of benefit. The property has been treated as a permanent endowment of The Finchley Charities. It has been revalued by Lambert Chartered Surveyors in July 2018.

#### **Pension costs**

The Finchley Charities contributes to an industrial scheme for employees (defined contribution scheme). The assets of the scheme are held separately from those of The Finchley Charities. The annual contributions payable are charged to the Statement of Comprehensive Income. The Finchley Charities has no potential liability other than for the payment of those contributions.

#### **Debtors**

Debtors are amounts owed to The Finchley Charities and are included at their recoverable amount. Debtors also include prepayments where payment has been made in advance of receipt of the goods or services.

## THE FINCHLEY CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the Year Ended 31 March 2024

#### **Cash at Bank and in hand**

Cash at Bank and in hand is held to meet short term cost commitments as they fall due and includes all cash equivalents held in the liquid investments.

#### **Creditors**

A liability is an amount due to a creditor and is recognised as the amount The Finchley Charities anticipates it will pay to settle the debt. Creditors also include amounts received in advance for goods and services it must provide.

#### **Financial Instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when The Finchley Charities becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that The Finchley Charities will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Finchley Charities' cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

#### **Cyclical Maintenance Fund**

The Finchley Charities charges actual costs incurred to the Statement of Comprehensive Income. However it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted cost of work in the following year, adjusted for one off expenditure.

#### **Extraordinary Repair Fund**

The Finchley Charities charges actual costs to the Statement of Comprehensive Income. However, it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted costs of work in the following year, adjusted for one off expenditure.

#### **Restricted Reserves**

When additional works on the Almshouses was undertaken in the 1970's the Charity Commission required £428 per annum to be invested annually from 1976 to 2036 and it is accumulated with its attached investments so as to replace the capital.

#### **Taxation**

The Finchley Charities is registered with the Tenant Services Authority and has charitable status. It is therefore exempt from liability to taxation on its charitable income and capital gains.

#### **Value Added Tax**

The Finchley Charities is not registered for value added tax. In these financial statements, where applicable income and expenditure is shown inclusive of VAT.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2024**

**2. PARTICULARS OF INCOME AND EXPENDITURE FROM HOUSING ACCOMMODATION**

	<b>2024</b>	<b>2023</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Income from housing</b>		
Maintenance charges - Housing for older people	1,878,519	1,755,391
Less: Losses from voids	(9,580)	(38,566)
Amortised government grant	64,599	64,599
<b>Total income from housing</b>	<u>1,933,538</u>	<u>1,781,424</u>
<b>Expenditure on housing activities</b>		
Services	137,871	114,742
Management	132,178	122,702
Routine maintenance	145,131	109,715
Cyclical Maintenance Fund	454,273	571,161
Housing properties depreciation	353,245	346,263
Loss on disposal of components	33,537	43,805
Bad debts & provision	325	542
Other costs	626,317	689,937
<b>Total expenditure on housing</b>	<u>1,882,877</u>	<u>1,998,867</u>
<b>Operating surplus on housing activities</b>	<u>50,661</u>	<u>(217,443)</u>
<b>Number of units</b>	<b>No</b>	<b>No</b>
At 1 April 2023	172	172
At 31 March 2024 (all managed and owned)	<u>172</u>	<u>172</u>

**3. HOUSING ACTIVITY SURPLUS**

The operating surplus is stated after charging:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Depreciation	357,060	351,486
Loss on disposal of components	33,537	43,805
Grant amortisation	(64,599)	(64,599)
Auditors remuneration - as auditors	6,540	6,000

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Investment income	228,935	213,333
Interest from cash deposits	-	-
Other income	2,485	15,799
	<u>231,420</u>	<u>229,132</u>

Investment income includes £31,456 accumulated dividends (2023: £29,986) and accrued interest of £2,662 (2023: £177).

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2024**

**5. STAFF**

The average number of staff employed by the Charity during the financial period was:

	2024 No.	2023 No.
Administrative	8	6
Sheltered Housing Officers	5	5
	<u>13</u>	<u>11</u>
	2024 £	2023 £
Wages & salaries	427,606	434,899
Social security costs	31,187	26,947
Pension costs	14,044	11,740
	<u>472,837</u>	<u>473,586</u>

The key management personnel (excluding the Trustees) is the Chief Executive whose remuneration for the year ended 31 March 2024 was £105,205 including £8,621 employer's NI and £7,425 employer's pension contributions (2023: £124,898 including £7,613 employer's NI and £5,929 employer's pension contribution). The Chief Executive is an ordinary member of the defined contribution pension scheme with pension arrangements which are similar to those of other staff.

The above key management personnel information includes the cost of the Acting Chief Executive for the period January to April 2023. The Acting Chief executive was appointed as a full-time employee from May 2023.

No other employee earned in excess of £60,000 (2023: none).

**6. TRANSACTIONS WITH TRUSTEES**

None of the Trustees received any emoluments for their services. Expenses for travel and telecommunication totalling £nil were reimbursed during the period (2023: £nil).

Many of the Trustees are involved with Churches and other charities in the area, some of whom received financial help through the Relief in Need programme.

When considering making donations, Trustees with any interest declare that interest and abstain from these decisions. These actions are recorded in the minutes of Trustees meetings.

Other than the above none of the Trustees has any interest in any contracts with The Finchley Charities.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2024**

**7. FIXED ASSETS**

<b>a) Tangible fixed assets</b>	<b>Freehold Housing Properties</b>	<b>Housing Property Under Construction</b>	<b>Office Equipment</b>	<b>Total 2024</b>
	£	£	£	£
<b>COST / VALUATION</b>				
At 1 April 2023	15,389,196	20,442	32,112	15,441,750
Additions	376,634	4,861	7,170	388,665
Disposals	(68,092)	-	-	(68,092)
Transfer			-	-
At 31 March 2024	<u>15,697,738</u>	<u>25,303</u>	<u>39,282</u>	<u>15,762,323</u>
<b>DEPRECIATION</b>				
At 1 April 2023	2,919,695	-	26,961	2,946,656
Charge for period	353,245	-	3,815	357,060
Disposals	(34,555)	-	-	(34,555)
At 31 March 2024	<u>3,238,385</u>	<u>-</u>	<u>30,776</u>	<u>3,269,161</u>
<b>NET BOOK VALUE</b>				
At 31 March 2024	<u>12,459,353</u>	<u>25,303</u>	<u>8,506</u>	<u>12,493,162</u>
At 31 March 2023	<u>12,469,501</u>	<u>20,442</u>	<u>5,151</u>	<u>12,495,094</u>

Additions in the year include component additions of £376,634 of which £65,920 was included in creditors (2023: £553,843 of which £18,099 included in creditors).

**b) Fuel Land Allotments**

This property is a permanent endowment of the Charity and is shown as a fixed asset with no known original cost. There is income from the allotments amounting to £13,520 (2023: £13,016 which is used towards the donations made under the Relief in Need objective. The property is included in the Statement of Financial Position at valuation of £450,000 (2023: £450,000).

**c) Investments - Property**

<b>Property</b>	<b>Valuation 2024</b>	<b>2023</b>	<b>Tenant</b>	<b>Current Annual Rent</b>	<b>Current Insurance Premiums</b>
	£	£		£	£
Advertising Hoardings, 250 - 274 High Road	50,000	50,000	J C Decaux Ltd	5,000	*
The Ann Owens Centre, Tarling Road	400,000	400,000	Age UK Barnet	29,023	1,935
	<u>450,000</u>	<u>450,000</u>		<u>34,023</u>	<u>1,935</u>

\*Arranged by Tenants

The above property valuations were carried out by professional external valuers, Lamberts Chartered Surveyors.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 March 2024**

**8a. INVESTMENTS - SHARES**

	£
Balance at 1 April 2023	6,036,507
Additions (including £31,456 accumulated dividends)	923,167
Disposals	(758,159)
Net unrealised gain on revaluation	214,954
Balance at 31 March 2024	<u>6,416,469</u>

	Cost		Market value	
	2024	2023	2024	2023
	£	£	£	£
Funds managed by:				
Rathbones (Investec Wealth & Investment) - 1	2,925,655	2,792,103	3,655,640	3,325,710
- M&G	1,847,584	1,827,318	1,979,442	1,993,140
COIF	16,588	16,588	359,405	378,929
M&G Charity Multi Asset Fund (previously NAACIF)	169,566	158,377	421,982	338,728
	<u>4,959,393</u>	<u>4,794,386</u>	<u>6,416,469</u>	<u>6,036,507</u>
<b>8b. Investment - Cash</b>			<u>160,162</u>	<u>179,126</u>

**9. DEBTORS: Due within one year**

	2024	2023
	£	£
Rent arrears	29,439	20,048
Less: bad debt provision	(5,000)	(5,000)
	<u>24,439</u>	<u>15,048</u>
Prepayments and Other debtors	46,178	36,661
	<u>70,617</u>	<u>51,709</u>

**10. CREDITORS: Amounts falling due within one year**

	2024	2023
	£	£
Creditors	86,832	40,266
PAYE/NI	10,633	6,532
Other creditors	123,463	123,986
Deferred government grant (Note 11)	64,599	64,599
Mortgage	53,305	51,834
	<u>338,832</u>	<u>287,217</u>

**CREDITORS: Amounts falling due after one year**

	2024	2023
	£	£
Deferred government grant (Note 11)	1,793,395	1,857,994
Mortgage 2-5 years	227,842	221,890
More than 5 years	853,769	894,895
	<u>2,875,006</u>	<u>2,974,779</u>

The mortgage is payable in monthly instalments over 25 years. The annual interest rate is 2.15% plus BEBR and the mortgage of £1,500,000 is secured on the new property.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 March 2024**

**11. DEFERRED GOVERNMENT GRANT**

	<b>Total 2024</b>	<b>Total 2023</b>
	£	£
At 1 April 2023	1,922,593	1,987,192
Amortisation of grant for the year	(64,599)	(64,599)
At 31 March 2024	<u>1,857,994</u>	<u>1,922,593</u>
Due within one year	<u>64,599</u>	<u>64,599</u>
Due after one year	<u>1,793,395</u>	<u>1,857,994</u>

The Finchley Charities received government grants totalling £4,634,238 over the years of which £2,776,244 has been released to the Statement of Comprehensive Income to date.

**12. RESERVES**

**UNRESTRICTED FUNDS**

	<b>Investments Revaluation</b>	<b>Property Revaluation</b>	<b>Revenue Fund</b>	<b>Total 2024</b>	<b>Total 2023</b>
	£	£	£	£	£
At 31 March 2022	1,757,353	1,621,632	9,549,168	12,928,153	12,498,045
<b>Year ended 31 March 2023:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	(17,033)	(17,033)	342,058
Amortisation of grant - current year	-	-	64,599	64,599	80,749
Transfers between reserves	-	-	20,918	20,918	(420,428)
Revaluation	(471,507)	-	-	(471,507)	427,729
At 31 March 2023	<u>1,285,846</u>	<u>1,621,632</u>	<u>9,617,652</u>	<u>12,525,130</u>	<u>12,928,153</u>
<b>Year ended 31 March 2024:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	238,359	238,359	(17,033)
Amortisation of grant - current year	-	-	64,599	64,599	64,599
Transfers between reserves	-	-	5,183	5,183	20,918
Revaluation	214,954	-	-	214,954	(471,507)
At 31 March 2024	<u>1,500,800</u>	<u>1,621,632</u>	<u>9,925,793</u>	<u>13,048,225</u>	<u>12,525,130</u>

**DESIGNATED FUNDS**

	<b>Community, Health &amp; Wellbeing Fund</b>	<b>Development Fund</b>	<b>Component Accounting Fund</b>	<b>Cyclical Maintenance Fund</b>	<b>Extraordinary Repair Fund</b>	<b>2024 Total</b>	<b>2023 Total</b>
	£	£	£	£	£	£	£
At 31 March 2022	48,429	420,000	1,594,941	700,000	1,100,000	3,863,370	3,394,941
Income	-	-	-	-	-	-	48,429
Transfer from unrestricted funds	(904)	(20,442)	-	-	-	(21,346)	420,000
At 31 March 2023	<u>47,525</u>	<u>399,558</u>	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,842,024</u>	<u>3,863,370</u>
Income	-	-	-	-	-	-	-
Transfer from unrestricted funds	(750)	(4,861)	-	-	-	(5,611)	(21,346)
At 31 March 2024	<u>46,775</u>	<u>394,697</u>	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,836,413</u>	<u>3,842,024</u>

The Community, Health and Wellbeing Fund was created by the Trustees for the wellbeing of the residents and the community.

The Development Fund was created by the Trustees to set aside for future developments.

The Component Accounting Fund was created to comply with the change to Housing Regulations in 2011.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2024**

**12 RESERVES (continued)**

The Cyclical Maintenance Fund provides a fund for routine repairs, should income from the housing stock be insufficient to meet these costs.

The Extraordinary Repair Fund provides a fund for major repairs, should annual income be insufficient to meet these costs.

<b>RESTRICTED</b>	<b>Residents' Donations</b>	<b>Reserve for recoupment of Capital expenditure</b>	<b>2024 Total</b>	<b>2023 Total</b>
	£	£	£	£
At 31 March 2022	1,448	186,728	188,176	171,791
<b>Year ended 31 March 2023:</b>				
Income		13,016	13,016	15,957
Expenditure	-	-	-	-
Transfers between reserves	-	428	428	428
At 31 March 2023	1,448	200,172	201,620	188,176
<b>Year ended 31 March 2024:</b>				
Income		13,520	13,520	13,016
Expenditure	-	-	-	-
Transfers between reserves	-	428	428	428
At 31 March 2024	1,448	214,120	215,568	201,620

**13. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Property revaluation reserve</b>	<b>Investment revaluation reserve</b>	<b>Total funds 2024</b>	<b>Total funds 2023</b>
	£	£	£	£	£	£	£
<b>Fixed assets:</b>							
Housing properties	12,484,656	-	-	-	-	12,484,656	12,489,943
Office Equipment	8,506	-	-	-	-	8,506	5,151
Fuel Land Allotments	-	-	38,368	411,632	-	450,000	450,000
Investments	220,582	3,814,941	120,146	760,000	1,500,800	6,416,469	6,034,507
Investment properties	-	-	-	450,000	-	450,000	450,000
Investments-Cash	160,162	-	-	-	-	160,162	179,126
<b>Current assets:</b>							
Debtors	70,617	-	-	-	-	70,617	51,709
Cash at bank	195,108	21,472	57,054	-	-	273,634	168,334
<b>Current liabilities:</b>							
Creditors	(338,832)	-	-	-	-	(338,832)	(287,217)
Long Term Liabilities	(2,875,006)	-	-	-	-	(2,875,006)	(2,974,779)
	<b>9,925,793</b>	<b>3,836,413</b>	<b>215,568</b>	<b>1,621,632</b>	<b>1,500,800</b>	<b>17,100,206</b>	<b>16,566,774</b>

**14. PAYMENTS TO CREDITORS**

The Finchley Charities endeavours to settle suppliers' accounts within 30 days of receipt of invoices.

## THE FINCHLEY CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the Year Ended 31 March 2024

#### 15. ANALYSIS OF CHANGES IN NET DEBT

	At 01 Apr 2023	Cash flows	Other non- cash changes	At 31 Mar 2024
	£	£	£	£
<b>Cash and cash equivalent</b>				
Cash at bank & in hand	168,334	105,300	-	273,634
Investment cash	179,126	(18,964)	-	160,162
	<b>347,460</b>	<b>86,336</b>		<b>433,796</b>
<b>Borrowings</b>				
Debt due within one year	(51,834)	33,703	(35,174)	(53,305)
Debt due after one year	(1,116,785)	-	35,174	(1,081,611)
	<b>(1,168,619)</b>	<b>33,703</b>	<b>-</b>	<b>(1,134,916)</b>
<b>Total</b>	<b>(821,159)</b>	<b>120,039</b>	<b>-</b>	<b>(701,120)</b>

#### 16. STATEMENT OF COMPREHENSIVE INCOME FOR THE COMPARATIVE PERIOD

	Unrestricted funds	Designated funds	Restricted funds	2023	Total
	£	£	£		£
<b>INCOME FROM HOUSING</b>					
Social Housing lettings	1,781,424	-	-		1,781,424
Operating expenditure	(1,998,867)	-	-		(1,998,867)
<b>HOUSING ACTIVITY SURPLUS</b>	<b>(217,443)</b>	<b>-</b>	<b>-</b>		<b>(217,443)</b>
(Loss) on sale of investments	34,390	-	-		34,390
Investment property income	67,018	-	13,016		80,034
Interest receivable and similar income	229,132	-	-		229,132
Interest payable	(51,591)	-	-		(51,591)
Donations received	720	-	-		720
Other expenditure	-	-	-		-
Donations payable	(14,660)	-	-		(14,660)
	<b>265,009</b>	<b>-</b>	<b>13,016</b>		<b>278,025</b>
<b>Surplus before revaluation gain on investments and transfers</b>	<b>47,566</b>	<b>-</b>	<b>13,016</b>		<b>60,582</b>
Revaluation loss on investments	(471,507)	-	-		(471,507)
Transfers between funds	20,918	(21,346)	428		-
<b>DEFICIT FOR THE YEAR</b>	<b>(403,023)</b>	<b>(21,346)</b>	<b>13,444</b>		<b>(410,925)</b>
<b>Reserves brought forward</b>	<b>12,928,153</b>	<b>3,863,370</b>	<b>188,176</b>		<b>16,979,699</b>
<b>Reserves carried forward</b>	<b>12,525,130</b>	<b>3,842,024</b>	<b>201,620</b>		<b>16,568,774</b>

#### 17. CHARITY SCHEME

The Charity Scheme provides that the Finchley Charities will make annual grants to local Church charities, providing it has the necessary financial resources. In 2024 grants to local Churches amounted to £12,075 (2023 £11,500).

#### 18. CAPITAL COMMITMENT

As at 31 March 2024 there were no capital commitments (2023: commitments totalling £179,453 for external lighting and upkeep of the properties).

**THE FINCHLEY CHARITIES**

England & Wales - Charity number 206621

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# Accounts

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Charity Number: 206621  
Regulator of Social Housing, formerly Homes and Community Agency Number A0185

**THE FINCHLEY CHARITIES**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**Accountants:**

Alwyns LLP  
Chartered Accountants  
Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

**Office:**

41a Wilmot Close  
East Finchley  
London  
N2 8HP

**THE FINCHLEY CHARITIES**

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**for the Year Ended 31 March 2023**

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## THE FINCHLEY CHARITIES

<b>REGISTRATION</b>	By the Almshouse Association (Number 91) By the Charity Commission (Number 206621) By the Regulator of Social Housing (formerly HCA) (Number A0185)	
<b>PRINCIPAL OFFICE</b>	41a Wilmot Close East Finchley London N2 8HP	
<b>CHARITY WEBSITE</b>	<a href="http://www.thefinchleycharities.org">www.thefinchleycharities.org</a>	
<b>TRUSTEES</b>	Michael Pughsley (C) – Chair from 20 February 2023 Adam Gheasuddin (N) – Chair from: 14/02/22 to 20 February 2023 Ian Anderson (C) – Vice Chair Roger Chapman (N) (Resigned June 2022) Cllr. Daniel Thomas (N) (Resigned June 2022) Cllr Danny Rich (N) (Appointed 1 March 2023) Cllr Kathy McGuirk (N) (Appointed 1 March 2023) The Rev. Philip Davison (E) Mr Graham Old (C) Richard Merrin (C) Nigel Benjamin (C) Leila Star (C) Susanna Morales Chinyere Ugwu (C)  (C) Co-opted (E) Ex-Officio (N) Nominated by London Borough of Barnet	
<b>FULL TIME CHIEF EXECUTIVE:</b>	Mrs S Faridi xMPA, Cert.ICSA – resigned January 2023 Ms Carmel Miedziolka MBA CIHCM – appointed January 2023 as interim CEO and permanent CEO from 1 May 2023	
<b>MANAGERS</b>	Property Services Manager: Kevin Duberry Housing Services Manager: Ms Claire Young - Resigned June 2023	
<b>ACCOUNTANTS/AUDITORS</b>	Alwyns LLP Chartered Accountants Crown House, 151 High Road Loughton Essex IG10 4LG	Brindley Millen Limited Chartered Accountants & Registered Auditors 167 Turners Hill Cheshunt Hertfordshire EN8 9BH
<b>BANKERS</b>	Barclays Bank plc 1250 High Road London N20 0PB	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
<b>INVESTMENT MANAGERS</b>	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN	
<b>SOLICITORS</b>	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT	Hewitsons LLP Shakespeare House Cambridge CB5 8EP

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES for the Year Ended 31 March 2023

#### **Constitution**

The Finchley Charities was founded in 1488 and operates under a Charity Scheme from the Charity Commission dated 3 March 2011 and also as a Registered Social Landlord.

The scheme states that the area of benefit extends into the London Borough of Barnet. The eligibility for residency applies to persons of limited means, aged 55 and above who find it difficult to find suitable and affordable housing for themselves and who are in need of support. The Finchley Charities also operates a Relief in Need fund for local persons and organisations requesting financial assistance subject to certain conditions.

The Finchley Charities own the Fuel Land Allotments. The day-to-day management is delegated to a voluntary management committee.

#### **Objectives**

The objectives of The Finchley Charities are the relief of poverty in the London Borough of Barnet. It does this by providing sheltered housing accommodation to beneficiaries over the age of 55 and donations to parish churches, individuals and organisations. Donations to the parish churches take precedence and are to be applied towards the upkeep and repair of the fabric of the church buildings. Other donations must not be recurrent or be applied to public funds or in relief of rates and taxes.

#### **Values, Vision & Mission**



#### **Our Values**

Our Values shape how we deliver our Mission and Vision.

#### **Our Mission**

The Finchley Charities enhances lives by providing good quality homes, allotments and grants, together with excellent support services to tackle social isolation, loneliness and improve wellbeing.

#### **Our Vision**

With over 500 years' experience providing housing and services to our communities, we will continue to be a leading provider, committed to building healthy, sustainable communities with high quality homes, solutions and services to improve quality of life.



#### **Governance**

The Trustees have established systems and processes that determine strategic direction and policies. These are regularly reviewed. The Trustees also determine short, medium and long-term priorities, and review associated risks.

The Trustees give day-to-day authority to the managers but delegate to their Chief Executive, the responsibility to ensure compliance with their policies and procedures and to liaise as required with their professional advisors and regulatory bodies. All Trustees are volunteers. Co-opted Trustees are selected for their experience and complementary skills. The London Borough of Barnet is entitled to nominate three Trustees.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2023**

The Trustees meet formally a minimum of four times a year. In addition, there are four Committees; Finance and Information Technology (IT), Property Services, Housing and Support Services and Fuel Land Allotments. All Committees meet at least four times a year.

The Finance and IT Committee has responsibility for reviewing internal and external Audit reports and HR. The Trustees review the financial position at each meeting and consider all proposals made by the Finance and IT Committee.

All Committees meet more regularly as and when the need arises.

The principal role of the Trustees is to provide and review the strategic direction, have financial oversight, adopt a Budget, ensure income is applied within a reasonable time, obtain necessary assurances the organisation complies with the law and regulation and oversee the work of the Committees and the Chief Executive.

To ensure good governance and compliance with the National Housing Federation's Code of Governance following a governance review during 2020, The Finchley Charities undertook a review of the governing documents during the period which included:

1. The Charity Scheme.
2. Governance procedures.
3. Trustees Code of Conduct.
4. An action plan to ensure The Finchley Charities are compliant with the NHF's Code of Governance to ensure good governance continues to be in place.

A refresh of the Governance Review is currently in progress.

#### **Control Environment/Procedures**

The Trustees have delegated authority and established lines of responsibility accordingly. Business and management controls set standards of professionalism and integrity for operations, which are managed by experienced and suitably qualified persons.

The Trustees believe that relative to the number of staff, The Finchley Charities has adequate and effective key internal controls.

Policies and procedures are written, implemented and followed. Policies and procedures are regularly reviewed and ratified by Trustees. The review timeframe is dependent on the policy, regulatory requirements and best practice. The introduction of new policies is considered and ratified by Trustees.

#### **Risk Management**

The Finchley Charities has a risk management plan. The major risks to which The Finchley Charities is exposed, as identified by the Trustees, are regularly reviewed and steps taken to mitigate those risks.

The Finchley Charities' risks are reviewed regularly and tabled at Trustee meetings to ensure robust risk management is in place. A Risk Management Working Group has been set up as part of the Finance and IT Committee's workplan.

#### **Community Engagement & Fundraising**

We are actively developing links with local communities, peers and key stakeholders prior to identifying appropriate local improvement opportunities and prioritising projects / resources. In addition to working closely with these local and national partners (e.g. The Pavilion School, the Somali Bravanese Welfare Association, and Age UK), we will be looking to create a project Go/No Go process and secure additional funding streams including local authority funding and a fundraising pipeline. Longer-term, we may consider forming a resident led vehicle such as a Fundraising Community Committee.

An example of such closer community engagement is our work with the plot holders and management committee of the Fuel Land Allotments which promises to be trans-generational and engaging communities that we have not reached previously. Projects planned for 2023 with the Fuel Land Allotments Committee include working with local schools to work a plot and to develop a 'Men in Sheds' service working in conjunction with Age UK to support older men who want to get together and share and learn new skills.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2023**

#### **Information Systems**

In order to keep overheads costs down financial management and accounting is outsourced and processed by the bookkeeping department of Alwyns LLP from detail provided by the staff of The Finchley Charities and also further information is provided by the Investment Manager. PC based systems with standard software packages are used for this purpose.

The annual budget is approved by the Trustees. The Chief Executive and Alwyns LLP report on significant adverse variances to the Finance and IT Committee. Management accounts are produced monthly for review by the Chief Executive, Chairman of the Finance and IT Committee and Alwyns LLP. The Investment Manager updates the committee twice a year by presentation. Minutes of these meetings are presented for discussion at the next Trustees Meeting / Board. Investec provide investment reports to members of the Finance and IT Sub-Committee on a quarterly basis for review.

#### **Monitoring Systems**

The Chief Executive is responsible for the performance of the staff in relation to policies, procedures and budgets set by the Trustees.

Operational issues may be reported to the Finance and IT Committee or the Chair if quick decisions are required. The Minutes of all Meetings are approved by the appropriate Committee Chairs and reported to the next full Trustees Meeting / Board for information and ratification.

#### **Reserves Policy**

The Trustees have adopted a reserves policy which they consider appropriate to:

- a) Provide annual amounts for future cyclical repairs and maintenance;
- b) Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for at least one year ahead;
- c) Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the amounts in Designated and Restricted Reserves;
- d) Purchase investments which provide income from which, make it possible to subsidise the weekly maintenance contributions charged to Residents of the Almshouses and thus fulfilling one of its charitable objectives.

The Trustees keep the level of reserves under regular review to ensure that they are adequate and appropriate to meet the requirements of The Finchley Charities. The Trustees aim to maintain the free reserves at a level of 3-6 months of expenditure. The current level of free reserves meets this policy.

#### **Employees**

The Finchley Charities places great emphasis on the contribution of its Staff. The Trustees want to place on the record thanks and appreciation for their dedicated work throughout another very difficult year. Staff maintained good and safe links with Residents, ensuring high morale throughout the challenges experienced.

During 2022/23, Trustees employed the Chief Executive, a Property Services Manager, a Property Services Officer, a Property Services Administrator, a Housing Services Manager, a general office administrator, three Sheltered Housing Officers, two Housing Officers and a Digital Inclusion Officer. A performance management framework is in place to ensure all staff and the Chief Executive are supported, provided with regular 1-2-1s and yearly appraisals together with performance delivery plans. The Chair of The Finchley Charities carries out the yearly appraisals and 1-2-1s for the Chief Executive and reports performance to the Board. The Finchley Charities is committed to training and development of all staff. The framework ensures staff at all levels have the opportunity to meet, raise and discuss issues with their Manager, the Chief Executive and ultimately the Trustees.

#### **Equality and Diversity Policy**

The Trustees are committed to eliminating discrimination and promoting equality of opportunities for all Colleagues and Residents.

#### **Trustees Liability Insurance**

As allowed by its mandate, the Trustees have taken out cover of £500,000.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2023**

#### **Investment Policy**

The overall objectives are to create sufficient income and capital growth to enable The Finchley Charities to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. Both capital and income may be used at any time for the furtherance of The Finchley Charities' aims.

#### **Ethical Considerations**

The Trustees wish to preclude investment in tobacco and these are defined as companies with more than 20% of their turnover in this activity.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding particular investments which damage The Finchley Charities' reputation.

Trustees expect the Investment manager to have considered the suitability of investments.

#### **Principal Funding Sources**

Charges made to Residents for accommodation and Income and Profits from Investments.

#### **Appointments and Training of New Trustees.**

Three Trustees are nominated by the London Borough of Barnet and the Ex-Officio Trustee is the Rector of St Mary-at-Finchley Church Rev Philip Davison.

Possible candidates for Co-opted Trusteeship are usually known and nominated by existing Trustees and appointed by the Trustees as a body. Following the Governance Review in 2020, Trustees made the decision to advertise future vacancies. Trustees appoint new Trustees for their specific skills and knowledge following a skills gap analysis. The Chief Executive has the delegated responsibility for providing training.

During 2022/23 The Finchley Charities recruited one new trustee nominated from the L B Barnet. Recruitment of new Trustees is on-going so as to ensure succession planning for 2024.

#### **Key Decisions**

The Trustees make all Key Decisions including the ratification of decisions delegated to the Chair or the Chair of the Finance and IT sub-committee.

#### **Activity, Performance Review and Future Plans**

2022/23 was again a challenging year but we continued to carry out the core services to a good level. Much work has been done on re-engaging with the community following Covid.

During the year we experienced another period of a high level of voids, equating to 21 which is 12.2% of The Finchley Charities' housing stock. The Finchley Charities has continued to reach out to the local community ensuring that the staff worked extremely hard to turn voids around, carrying out the refurbishments necessary to re-let. Despite the challenges, by 31 March 2023 18 out of the 21 voids during the period were re-let and occupied. In addition, an empty property, unoccupied for 67 weeks, was returned to use and re-let on a temporary basis.

There was 98.3% occupancy at 31 March 2023.

Further challenges experienced were due to the issues faced by contractors, the difficulties with the labour market and the unprecedented increase in cost of materials which affected turning voids around in the expected timeframes.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2023**

#### **The organisation strategy**

The organisation strategy is further developed to plan longer term ambitions, to build further homes, reviewing and improving services, processes and governance. The organisational strategy 2017 – 2022 has been reviewed with a new strategy 2023 – 2028 in development.

#### **Asset Management**

The Finchley Charities continue to review its cost base and asset management, particularly with regard to financial efficiencies, value for money and standards for property refurbishments and maintenance, whilst mindful of keeping a good standard of accommodation expected for Residents. This has continued despite the challenging year experienced carrying our repairs, maintenance and planned works when and where possible.

Trustees are committed to ensure its current housing stock is well maintained to a high quality standard and has the resources to keep its homes in good condition. Works to properties are planned through regular stock condition surveys. During March 2022, FFT carried out a successful Stock Condition survey and the results are informing financial planning and investment decisions within a 5 – 30 year plan.

The survey included conducting up to date EPC's to all properties to understand the performance and sustainability of individual properties across the portfolio. Improvement works have been completed since EPC's were previously carried out such as boiler replacements, window and door replacements. This included a review of improvements that can be made to improve EPC ratings through retrofitting if achievable. Trustees' aim is to achieve minimum ratings of C across the portfolio.

The Finchley Charities work to a rolling five-year plan for repairs and major refurbishment which is designed to ensure that the accommodation provided meets with the Decent Homes Standards, (whereby housing should be above the statutory minimum standard, be in a reasonable state of repair, provide modern facilities and services and a reasonable degree of thermal comfort). The Finchley Charities' continued main focus will be the planned works programme, to ensure that accommodation is maintained at a good standard for all Residents.

#### **Fire Risk Assessment**

We recently carried out regular Fire Risk Assessments and concentrate on completing the actions and improvements needed with staff training to continue to be compliant. The next Fire Risk Assessment is due for completion during August 2023.

#### **Lighting Design Homefield**

Consultants from Elektra carried out a project to review the current external lighting at Homefield Gardens together with producing lighting designs to improve lighting externally around the site. Resident consultations took place showing the proposed designs and examples of products recommended. Installation work has been delayed due to the challenges with increased material costs and limited contractor availability. This is now scheduled to be completed in the late autumn of 2023.

#### **Bathroom Replacements**

23 completed during the period.

#### **Kitchen Replacements**

8 completed.

#### **Internal decorations (Resident Homes)**

22 homes redecorated.

#### **Asset and Development Appraisal**

Trustees are committed if able, to develop more homes needed in the area of benefit. During 2021/22, Campbell Tickell were commissioned to appraise all The Finchley Charities' stock and land to investigate and explore opportunities for the future development of new homes. This consisted of a team of consultants with specific skills, qualifications and knowledge to carry out the appraisal which included architects, surveyors and financial specialists. During 2022/23, the surveyor Faithorn Farrell Timms was commissioned to undertake a comprehensive stock condition survey of all The Finchley Charities properties to further strengthen our understanding of future financial commitments and planning. Trustees' aim to finalise an organisational development strategy and explore the development of new homes in the area of benefit during 2023/4.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 March 2023**

#### **Health & Wellbeing**

Supporting and keeping beneficiaries focused and reducing social isolation was a key priority and an objective during 2022/3.

The organisational focus on Health and Well-being for Residents will continue, focusing on activities and events to promote good mental health, promote a good community, reduce social isolation and loneliness. This is particularly important as the country returns to normal after the years of restrictions due to Covid-19.

Sheltered Housing Officers maintain regular contact with all beneficiaries and identify those most at risk of isolation so as to increase their contact and support as required. During the past few years, The Finchley Charities' IT improvement programme included moving all the IT and telephone systems to the cloud and the upgrade to the community alarm systems in beneficiaries' homes.

Face to face support has been enhanced following the pandemic together with the opening of additional communal facilities. Staff are now working towards resuming health and well-being activities and events and a number of community social opportunities have been created including:

- Money Matters – delivered with AgeUK
- Art and music classes
- First Aid training for Residents who requested

#### **Grounds, Gardens and Green Space**

It is so important for Residents to socialise and be part of a community which contributes to the reduction of social isolation. The Finchley Charities ensures the grounds, gardens and green space are well maintained to benefit the health & wellbeing of Residents. Trustees would like to thank the gardeners for their commitment and hard work for making sure the gardens remained beautiful and accessible for our beneficiaries to enjoy, socialise and be part of a community. Trustees would also like to thank those Residents who also contributed to ensure the gardens were well maintained. Maintaining the grounds and gardens remains a priority.

#### **Resident Engagement and Satisfaction**

During the period staff and Trustees worked hard to improve resident engagement, consultation and increase satisfaction across all services. Building on a full Resident Survey in 2021, Resident Engagement sessions now take place quarterly involving Residents from all schemes, Colleagues and Trustees. We endeavour to use such sessions to surface and highlight Residents' issues and make their involvement both a reality and their issues a precursor to action whenever possible. Our intention is to maintain frequent and open communications in order to build the confidence of Residents in our ability as a landlord to support them.

Resident Engagement sessions are opportunities for Colleagues and Trustees to learn about the challenges faced by our Residents, and then follow through with managed actions and outcomes that support and demonstrably benefit our Residents. Key areas of activity include:

- Security and signage
- Car parking
- Digital inclusion
- Health and wellbeing
- Health and Safety

Residents' meetings have been held at every scheme to review 'Fire Safety' and scheme specific matters and a Health and Safety Committee mobilised.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the Year Ended 31 March 2023

#### **Public Benefit**

The Finchley Charities provide accommodation for those beneficiaries of limited means who have lived within the boundaries of the London Borough of Barnet as set out in the scheme of 2011 registered with the Charities Commission.

Each year the Trustees review The Finchley Charities' objectives, to ensure they continue to reflect The Finchley Charities' aims. In carrying out this review, the Trustees have complied with the duty in section 17(s) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Donations and Grants**

The Finchley Charities made the following donations and grants during the year:

Local Church Donations	£11,500
Other	£3,160

A grant is defined as a financial award made by The Finchley Charities from its funds to support charitable activities, usually to registered charities, charitable community groups and individuals experiencing hardship.

Trustees' grant making policy has no restrictions imposed on the purpose for which grants may be made, as long as the criteria outlined in the Charity Scheme are met. Trustees will award grants when they believe the grant will make a difference and will have an impact in the area of benefit. All applicants will be considered if the organisation or individual can demonstrate the following:

- Need and impact
- The organisation applying for a grant is a registered charity in the UK and operates in the area of benefit – the London Borough of Barnet
- An individual applying for a grant resides in the area of benefit and can demonstrate hardship.

Grants awarded will vary in amount.

All grants are considered at The Finchley Charities' Housing and Support Services Committee on a quarterly basis then ratified by the Finance and IT sub-committee and the Trustees of The Finchley Charities, before grants are awarded in line with The Finchley Charities' charitable objectives.

During 2022/23, we continued to limit the number of grants provided due to the large amount of investment made into the major works programme, for the much-needed work required to be undertaken to The Finchley Charities' assets and the loss on investments during a difficult and challenging year. We will continue to provide grants during 2023/24 which will be kept under review.

#### **Overall performance**

Performance indicators:

	2023	2022
Operating margin before revaluation		
gain on investments	3%	23%
Occupancy	98%	96%
Rent collected	99%	99%
Overheads as a percentage of maintenance contributions	93%	78%
Cost per unit	£9,323	£9,188
Working capital	£49,259	£(42,946)

The Finchley Charities' operating margin has increased following an improved performance on the investments and as the charity continues to invest in its properties whilst maintaining a 98% occupancy and rent collected remains consistent. The working capital has improved from the previous year but continues to be low due to the continued investment in our properties through our planned 'major works' programme.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the Year Ended 31 March 2023

#### **Financial Review of the Year**

The surplus before revaluation losses/gains on investments for the 12 months period was £60,582 (2022 – 15 months period was £487,193).

The results for the year excluding the increase or decrease in the value of investments may be summarised as follows:

	2023 (12 months)	2022 (15 months)
	£	£
Income from Housing	1,716,825	2,025,611
Direct costs	(347,159)	(424,721)
	<u>1,369,666</u>	<u>1,600,890</u>
Administration costs	(685,256)	(691,835)
Depreciation	(351,486)	(415,623)
Loss on replacement of components	(43,805)	(47,167)
Grant Amortisation	64,599	80,749
	<u>353,718</u>	<u>527,014</u>
Cyclical Maintenance Fund costs	(571,161)	(463,779)
Housing activity (deficit)/surplus	<u>(217,443)</u>	<u>63,235</u>
Other income less donations paid	243,635	343,360
Operating Surplus	<u>26,192</u>	<u>406,595</u>
Profit on sale of investments	34,390	80,598
Surplus for the year before revaluation (losses)/gains on investments	<u>60,582</u>	<u>487,193</u>

The Finchley Charities complies with the Statement of Recommended Practice (SORP) for Registered Social Landlords in the presentation of its Financial Statements.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the Year Ended 31 March 2023

#### Overview

The Finchley Charities is aware of its status as a Charity and that it has always subsidised accommodation which The Finchley Charities offers. The Finchley Charities has endeavoured to principally use investment income to pay for essential extraordinary repairs and capital costs. The Finchley Charities reviews its investment performance on a regular basis with its Investment Managers throughout the year.

The surplus shown above continued to contribute to the reserves, which are therefore considered adequate to support The Finchley Charities' objectives in the future. The Statement of Financial Position shows a decrease in reserves to £16,568,774 at 31 March 2023 which are largely represented by the stock of housing accommodation. The free reserves (unrestricted reserves less fixed assets, deferred government grant and loans) at 31 March 2023 were £213,770.

The Finchley Charities continues to retain the services of professionally qualified staff who are keen to continue the development of The Finchley Charities' targets.

The Finchley Charities' auditors have confirmed that we have an adequate financial position. We have ambition to maintain and improve this position in order that we may be able to offer more grants to those organisations who offer assistance to those in need in Barnet.

It should be acknowledged that the Trustees are not remunerated for their often-considerable work, therefore, Trustees Liability Insurance is in place to protect them from personal liability as far as is possible.

#### Responsibilities of the Trustees


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


The law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare The Finchley Charities' financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of The Finchley Charities and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Finchley Charities will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain The Finchley Charities' transactions and disclose with reasonable accuracy at any time the financial position of The Finchley Charities and enable them to ensure that the financial statements comply with the Charities Act, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2022 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018 update). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees:

  
.....  
Chairman – M. Pughley

  
.....  
Trustee – G. Old

7/8/23  
.....  
Date

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES**

**for the Year Ended 31 March 2023**

#### **Opinion**

We have audited the financial statements of The Finchley Charities (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of The Finchley Charities' affairs as at 31 March 2023 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

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

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)** **for the Year Ended 31 March 2023**

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

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

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Finchley Charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.

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 Report of the Independent Auditors.

**THE FINCHLEY CHARITIES**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)**  
**for the Year Ended 31 March 2023**

**Use of our report**

This report is made solely to The Finchley Charities' Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Finchley Charities and The Finchley Charities' Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Maurice Brindley BSc FCA (Senior Statutory Auditor)  
for and on behalf of Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

Date: .....11/8/2023.....

**THE FINCHLEY CHARITIES**

**STATEMENT OF COMPREHENSIVE INCOME**

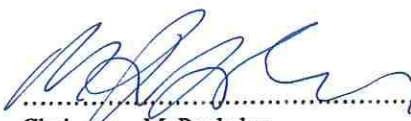
**for the Year Ended 31 March 2023**

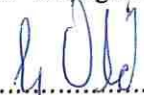
		Unrestricted funds	Designated funds	Restricted funds	12 months to 31 March 2023 Total	15 months to 31 March 2022 Total
	Note	£	£	£	£	£
<b>INCOME FROM HOUSING</b>						
Social housing lettings	2	1,781,424	-	-	1,781,424	2,106,360
Operating expenditure	2	(1,998,867)	-	-	(1,998,867)	(2,043,125)
<b>HOUSING ACTIVITY SURPLUS</b>	3	<b>(217,443)</b>	-	-	<b>(217,443)</b>	<b>63,235</b>
Profit on sale of investments		34,390	-	-	34,390	80,598
Investment property income		67,018	-	13,016	80,034	109,237
Interest receivable and similar income	4	229,132	-	-	229,132	241,234
Interest payable		(51,591)	-	-	(51,591)	(35,798)
Donations received		720	-	-	720	49,019
Other expenditure		-	-	-	-	-
Donations payable		(14,660)	-	-	(14,660)	(20,332)
		<b>265,009</b>	-	<b>13,016</b>	<b>278,025</b>	<b>423,958</b>
<b>Surplus before revaluation (loss)/gain on investments and transfers</b>		<b>47,566</b>	-	<b>13,016</b>	<b>60,582</b>	<b>487,193</b>
Net revaluation (loss)/gain on investments	12	(471,507)	-	-	(471,507)	427,729
Transfers between reserves	12	20,918	(21,346)	428	-	-
<b>(Deficit)/Surplus for the period before revaluation of fixed assets</b>		<b>(403,023)</b>	<b>(21,346)</b>	<b>13,444</b>	<b>(410,925)</b>	<b>914,922</b>
		-	-	-	-	-
<b>(DEFICIT)/SURPLUS FOR THE PERIOD</b>		<b>(403,023)</b>	<b>(21,346)</b>	<b>13,444</b>	<b>(410,925)</b>	<b>914,922</b>
<b>Reserves brought forward</b>		<b>12,928,153</b>	<b>3,863,370</b>	<b>188,176</b>	<b>16,979,699</b>	<b>16,064,777</b>
<b>Reserves carried forward</b>		<b>12,525,130</b>	<b>3,842,024</b>	<b>201,620</b>	<b>16,568,774</b>	<b>16,979,699</b>

The Finchley Charities has no other recognised gains or losses other than the results for the period as set out above. All the activities of The Finchley Charities are continuing.

Approved and authorised for issue by the Trustees on

7/8/23

  
.....  
Chairman - M. Pughsley

  
.....  
Trustee - G. Old

The notes on pages 17 to 26 form part of these financial statements.

**THE FINCHLEY CHARITIES**

**STATEMENT OF FINANCIAL POSITION**

**As at 31 March 2023**

		31 March 2023		31 March 2022	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Housing Properties	7a		12,489,943		12,305,726
Fuel Land Allotments	7b		450,000		450,000
Office equipment	7a		5,151		8,909
			<u>12,945,094</u>		<u>12,764,635</u>
Investment Properties	7c		450,000		450,000
Investments - Shares	8a	6,036,507		6,347,201	
- Cash	8b	<u>179,126</u>		<u>660,074</u>	
			6,215,633		7,007,275
			<u>19,610,727</u>		<u>20,221,910</u>
<b>CURRENT ASSETS</b>					
Debtors	9	51,709		74,532	
Cash at bank and in hand		<u>168,334</u>		<u>134,383</u>	
			220,043		208,915
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(287,217)</u>		<u>(367,019)</u>	
<b>NET CURRENT(LIABILITIES)</b>			(67,174)		(158,104)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>19,543,553</u>		<u>20,063,806</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	10		(2,974,779)		(3,084,107)
<b>NET ASSETS</b>			<u>16,568,774</u>		<u>16,979,699</u>
<b>RESERVES</b>	12/13				
Revenue - unrestricted			9,617,652		9,549,168
Property revaluation reserve			1,621,632		1,621,632
Investment revaluation reserve			<u>1,285,846</u>		<u>1,757,353</u>
			12,525,130		12,928,153
Designated			3,842,024		3,863,370
Restricted			<u>201,620</u>		<u>188,176</u>
			<u>16,568,774</u>		<u>16,979,699</u>

Approved and authorised for issue by the Trustees on

7/8/23

.....  
Chairman - M. Pughsley

.....  
Trustee - G. Old

The notes on pages 17 to 26 form part of these financial statements.

**THE FINCHLEY CHARITIES**

**STATEMENT OF CASH FLOWS**

**As at 31 March 2023**

	2023 £	2022 £
Net cash from operating activities	119,323	466,176
<b>Cash flows from financing activities:</b>		
Mortgage capital movement	(43,454)	(63,529)
Interest paid on mortgage	(51,591)	(35,798)
Net cash flow from financing activities	(95,045)	(99,327)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(638,430)	(711,643)
Purchase of other PPE	(1,465)	(6,647)
Purchase of investments (shares)	(725,368)	(665,092)
Proceeds from disposal of investments (shares)	628,931	810,817
Investment property income	80,034	109,237
Investment income	185,023	209,702
Net cash flow used in investing activities	(471,275)	(253,626)
Net (decrease)/increase in cash and cash equivalents in the reporting period	(446,997)	113,223
Cash and cash equivalents at beginning of the reporting period	794,457	681,234
Cash and cash equivalents at end of the reporting period (Note 15)	<u>347,460</u>	<u>794,457</u>

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

Net income before revaluation gains on investments	60,582	487,193
<b>Adjustments for:</b>		
Depreciation charges	351,486	415,623
Loss on disposal of fixed assets	43,805	47,167
Amortisation of Grant	(64,599)	(80,749)
Investment property income received	(80,034)	(109,237)
Interest payable	51,591	35,798
Investment income received	(213,333)	(239,549)
Interest received	-	-
(Profit)/Loss on sale of investment (shares)	(34,390)	(80,598)
Decrease/(Increase) in debtors (less accrued investment income)	21,147	(28,438)
(Decrease)/Increase in creditors (less mortgage, deferred government grants and capital creditors)	(16,932)	18,966
Net cash provided from operating activities	<u>119,323</u>	<u>466,176</u>

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the Year Ended 31 March 2023**

#### **1. PRINCIPAL ACCOUNTING POLICIES**

##### **Legal Status**

The Finchley Charities is a registered charity (Registered Number 206621) and is registered with the Regulator of Social Housing (formerly Homes and Communities Agency) as a Private Registered Provider of Social Housing (Registered Number A0185) and the Almshouse Association (Registered Number 91). The registered office is 41a Wilmot Close, East Finchley, London N2 8HP.

##### **Accounting Convention**

The financial statements have been prepared in accordance with applicable accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice for registered social housing providers (SORP 2018 update). The principal activity of The Finchley Charities is to provide relief of poverty in the London Borough of Barnet. In accordance with FRS 102 (3.3 A), the charity is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The accounts are prepared on the historical cost basis of accounting except for investment properties and investments which are included at fair value and are presented in sterling (£).

The financial statements are for 12 months from 1 April 2022 to 31 March 2023 following a change in the accounting period from 31 December to 31 March in the previous reporting period. The comparatives are for 15 months from 1 January 2021 to 31 March 2022.

##### **Going concern**

The accounts have been prepared on the basis that it will continue as a going concern. There are sufficient reserves to enable The Finchley Charities to continue to achieve its objectives for the foreseeable future.

A summary of significant accounting policies is set out below.

##### **Income**

Income from Housing represents income receivable from accommodation net of any voids, amortised capital grants from Local Authorities, The Housing Corporation and the GLA and charitable donations measured at value of the consideration received or receivable.

##### **Fixed Assets, Housing Properties and Component Accounting**

Housing Properties held to provide a social benefit are stated at cost less accumulated depreciation and impairment losses. The Finchley Charities calculates depreciation by implementing component accounting. Estimated figures have been used where due to the elapse of time or the disproportionate cost of ascertaining the figures, it has not been possible to get actual information. This means that depreciation is charged based on the estimated useful life of each component within the housing properties as follows:

Structure	100 years
Roofs	60 years
Windows and Doors	30 years
Lifts	30 years
Plumbing	30 years
Electrics	30 years
Bathrooms	20 years and 30 years
Kitchens	20 years
Heating	20 years
Careline & safety systems	20 years

## THE FINCHLEY CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the Year Ended 31 March 2023

External structures	20 years
Office	20 years
Communal Hall	10 years

#### **Fixed Assets, Housing Properties and Component Accounting (cont'd)**

Housing stock under construction, together with interest on mortgage are capitalised but not depreciated until the property is occupied. Interest is capitalised in fixed asset housing properties up to the date of completion of capital works on each scheme. The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme.

Office equipment is depreciated at the rate of 25% on cost per annum.

#### **Social Housing Grant**

Government grants include grants receivable from the Homes & Communities Agency (HCA), local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in income from housing over the estimated useful life of the housing property components, under the accrual model.

Grants due from government organisations or received in advance are included as current liabilities.

#### **Impairment**

At each Statement of Financial Position date, housing schemes are assessed to determine if there are indicators that the scheme may be impaired in value; if there are such indicators of impairment, then a comparison of the scheme's carrying value compared to its recoverable amount, is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately.

#### **Investments**

Investments are measured initially at cost and subsequently at fair value (their market value) valued at market value at the Statement of Financial Position date. The Statement of Comprehensive Income includes the net gains and losses arising on revaluations and disposals throughout the year.

Investment properties are included in the Statement of Financial Position at fair value. The last revaluation was July 2018 carried out by Lambert Chartered Surveyors. Revaluation surpluses and deficits are recognised as part of the Statement of Comprehensive Income.

#### **Fuel Land Allotments**

This property came under the jurisdiction of The Finchley Charities in 1892 and laid out 113 allotments. The income from the holders was used to buy coal for poor people and pensioners. It later was used for fuel vouchers for Finchley Old People's Welfare. It is now incorporated in the latest scheme of 2011 to be rented out to allotments holders who fall in the area of benefit. The property has been treated as a permanent endowment of The Finchley Charities. It has been revalued by Lambert Chartered Surveyors in July 2018.

#### **Pension costs**

The Finchley Charities contributes to an industrial scheme for employees (defined contribution scheme). The assets of the scheme are held separately from those of The Finchley Charities. The annual contributions payable are charged to the Statement of Comprehensive Income. The Finchley Charities has no potential liability other than for the payment of those contributions.

#### **Debtors**

Debtors are amounts owed to The Finchley Charities and are included at their recoverable amount. Debtors also include prepayments where payment has been made in advance of receipt of the goods or services.

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the Year Ended 31 March 2023**

#### **Cash at Bank and in hand**

Cash at Bank and in hand is held to meet short term cost commitments as they fall due and includes all cash equivalents held in the liquid investments.

#### **Creditors**

A liability is an amount due to a creditor and is recognised as the amount The Finchley Charities anticipates it will pay to settle the debt. Creditors also include amounts received in advance for goods and services it must provide.

#### **Financial Instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when The Finchley Charities becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that The Finchley Charities will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Finchley Charities' cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

#### **Cyclical Maintenance Fund**

The Finchley Charities charges actual costs incurred to the Statement of Comprehensive Income. However it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted cost of work in the following year, adjusted for one off expenditure.

#### **Extraordinary Repair Fund**

The Finchley Charities charges actual costs to the Statement of Comprehensive Income. However, it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted costs of work in the following year, adjusted for one off expenditure

#### **Restricted Reserves**

When additional works on the Almshouses was undertaken in the 1970's the Charity Commission required £428 per annum to be invested annually from 1976 to 2036 and it is accumulated with its attached investments so as to replace the capital.

#### **Taxation**

The Finchley Charities is registered with the Tenant Services Authority and has charitable status. It is therefore exempt from liability to taxation on its charitable income and capital gains.

#### **Value Added Tax**

The Finchley Charities is not registered for value added tax. In these financial statements, where applicable income and expenditure is shown inclusive of VAT.

**THE FINCHLEY CHARITIES****NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 March 2023****2. PARTICULARS OF INCOME AND EXPENDITURE FROM HOUSING ACCOMMODATION**

	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	£	£
<b>Income from housing</b>		
Maintenance charges - Housing for older people	1,755,391	2,099,374
Less: Losses from voids	(38,566)	(73,763)
Amortised government grant	64,599	80,749
<b>Total income from housing</b>	<u>1,781,424</u>	<u>2,106,360</u>
<b>Expenditure on housing activities</b>		
Services	114,742	139,201
Management	122,702	142,042
Routine maintenance	109,715	143,478
Cyclical Maintenance Fund	571,161	463,779
Housing properties depreciation	346,263	407,689
Loss on disposal of components	43,805	47,167
Bad debts & provision	542	2,148
Other costs	689,937	697,621
<b>Total expenditure on housing</b>	<u>1,998,867</u>	<u>2,043,125</u>
<b>Operating surplus on housing activities</b>	<u>(217,443)</u>	<u>63,235</u>
<b>Number of units</b>	<b>No</b>	<b>No</b>
At 1 April 2022	172	172
At 31 March 2023 (all managed and owned)	<u>172</u>	<u>172</u>

**3. HOUSING ACTIVITY SURPLUS**

The operating surplus is stated after charging:

	<b>2023</b>	<b>2022</b>
	£	£
Depreciation	351,486	415,623
Loss on disposal of components	43,805	47,167
Grant amortisation	(64,599)	(80,749)
Auditors remuneration - as auditors	6,000	6,097

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2023</b>	<b>2022</b>
	£	£
Investment income	213,333	239,549
Interest from cash deposits	-	-
Other income	15,799	1,685
	<u>229,132</u>	<u>241,234</u>

Investment income includes £29,986 accumulated dividends (2022: £29,774) and accrued interest of £177 (2022: £1,853).

## THE FINCHLEY CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the Year Ended 31 March 2023

#### 5. STAFF

The average number of staff employed by the Charity during the financial period was:

	2023 No.	2022 No.
Administrative	6	5
Sheltered Housing Officers	5	5
	<u>11</u>	<u>10</u>
	2023 £	2022 £
Wages & salaries	434,899	444,195
Social security costs	26,947	27,637
Pension costs	11,740	14,726
	<u>473,586</u>	<u>486,558</u>

The key management personnel (excluding the Trustees) is the Chief Executive whose remuneration for the year ended 31 March 2023 was £124,898 including £7,613 employer's NI and £5,929 employer's pension contributions (15 months to 31 March 2022: £100,203 including £9,819 employer's NI and £8,194 employer's pension contribution). The Chief Executive is an ordinary member of the defined contribution pension scheme with pension arrangements which are similar to those of other staff.

The above key management personnel information includes the cost of the Acting Chief Executive for the period January to March 2023. The Acting Chief executive was appointed as a full-time employee from May 2023.

No other employee earned in excess of £60,000 (2022: none).

#### 6. TRANSACTIONS WITH TRUSTEES

None of the Trustees received any emoluments for their services. Expenses for travel and telecommunication totalling £nil were reimbursed during the period (2022: £nil).

Many of the Trustees are involved with Churches and other charities in the area, some of whom received financial help through the Relief in Need programme.

When considering making donations, Trustees with any interest declare that interest and abstain from these decisions. These actions are recorded in the minutes of Trustees meetings.

Other than the above none of the Trustees has any interest in any contracts with The Finchley Charities.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 March 2023**

**7. FIXED ASSETS**

a) Tangible fixed assets	Freehold Housing Properties £	Housing Property Under Construction £	Office Equipment £	Total 2023 £
<b>COST / VALUATION</b>				
At 1 April 2022	14,943,211	-	30,647	14,973,858
Additions	553,843	20,442	1,465	575,750
Disposals	(107,858)	-	-	(107,858)
Transfer			-	-
At 31 March 2023	15,389,196	20,442	32,112	15,441,750
<b>DEPRECIATION</b>				
At 1 April 2022	2,637,485	-	21,738	2,659,223
Charge for period	346,263	-	5,223	351,486
Disposals	(64,053)	-	-	(64,053)
At 31 March 2023	2,919,695	-	26,961	2,946,656
<b>NET BOOK VALUE</b>				
At 31 March 2023	12,469,501	20,442	5,151	12,495,094
At 31 March 2022	12,305,726	-	8,909	12,314,635

Additions in the period include component additions of £553,843 of which £18,099 was included in creditors (2022: £512,183 of which £82,244 included in creditors).

**b) Fuel Land Allotments**

This property is a permanent endowment of the Charity and is shown as a fixed asset with no known original cost. There is income from the allotments amounting to £13,016 (2022: £15,457) which is used towards the donations made under the Relief in Need objective. The property is included in the Statement of Financial Position at valuation of £450,000 (2022: £450,000).

**c) Investments - Property**

Property	Valuation 2023 £	2022 £	Tenant	Current Annual Rent £	Current Insurance Premiums £
Advertising Hoardings, 250 - 274 High Road	50,000	50,000	J C Decaux Ltd	5,000	*
The Ann Owens Centre, Tarling Road	400,000	400,000	Age UK Barnet	27,641	1,819
	450,000	450,000		32,641	1,819

\*Arranged by Tenants

The above property valuations were carried out by professional external valuers, Lamberts Chartered Surveyors.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 March 2023**

**8a. INVESTMENTS - SHARES**

	£
Balance at 1 April 2022	6,347,201
Additions (including £29,986 accumulated dividends)	755,354
Disposals	(594,541)
Net unrealised loss on revaluation	(471,507)
Balance at 31 March 2023	<u>6,036,507</u>

	Cost		Market value	
	2023	2022	2023	2022
	£	£	£	£
Funds managed by:				
Investec Wealth & Investment - Investments	2,792,103	2,623,992	3,325,710	3,474,779
- M&G	1,827,318	1,844,782	1,993,140	2,149,483
COIF	16,588	16,588	378,929	385,319
M&G Charity Multi Asset Fund (previously NAACIF)	158,377	151,270	338,728	337,620
	<u>4,794,386</u>	<u>4,636,632</u>	<u>6,036,507</u>	<u>6,347,201</u>

**8b. Investment - Cash**

<u>179,126</u>	<u>660,074</u>
----------------	----------------

**9. DEBTORS: Due within one year**

	2023	2022
	£	£
Rent arrears	20,048	30,876
Less: bad debt provision	(5,000)	(5,000)
	<u>15,048</u>	<u>25,876</u>
Prepayments and Other debtors	36,661	48,656
	<u>51,709</u>	<u>74,532</u>

**10. CREDITORS: Amounts falling due within one year**

	2023	2022
	£	£
Creditors	40,266	158,670
PAYE/NI	6,532	7,928
Other creditors	123,986	85,263
Deferred government grant (Note 11)	64,599	64,599
Mortgage	51,834	50,559
	<u>287,217</u>	<u>367,019</u>

**CREDITORS: Amounts falling due after one year**

	2023	2022
	£	£
Deferred government grant (Note 11)	1,857,994	1,922,593
Mortgage 2-5 years	221,890	216,077
More than 5 years	894,895	945,437
	<u>2,974,779</u>	<u>3,084,107</u>

The mortgage is payable in monthly instalments over 25 years. The annual interest rate is 2.15% plus BEBR and the mortgage of £1,500,000 is secured on the new property.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 March 2023**

**11. DEFERRED GOVERNMENT GRANT**

	<b>Total 2023</b>	<b>Total 2022</b>
	£	£
At 1 April 2022	1,987,192	2,067,941
Amortisation of grant for the year	(64,599)	(80,749)
At 31 March 2023	<u>1,922,593</u>	<u>1,987,192</u>
Due within one year	<u>64,599</u>	<u>64,599</u>
Due after one year	<u>1,857,994</u>	<u>1,922,593</u>

The Finchley Charities received government grants totalling £4,634,238 over the years of which £2,711,645 has been released to the Statement of Comprehensive Income to date.

**12. RESERVES**

**UNRESTRICTED FUNDS**

	<b>Investments Revaluation</b>	<b>Property Revaluation</b>	<b>Revenue Fund</b>	<b>Total 2023</b>	<b>Total 2022</b>
	£	£	£	£	£
At 31 December 2020	1,329,624	1,621,632	9,546,789	12,498,045	12,701,590
<b>Period ended 31 March 2022:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	342,058	342,058	208,056
Amortisation of grant - current year	-	-	80,749	80,749	64,599
Transfers between reserves	-	-	(420,428)	(420,428)	(428)
Revaluation	427,729	-	-	427,729	(475,772)
At 31 March 2022	<u>1,757,353</u>	<u>1,621,632</u>	<u>9,549,168</u>	<u>12,928,153</u>	<u>12,498,045</u>
<b>Year ended 31 March 2023:</b>					
Surplus for the period before grant amortisation and revaluations	-	-	(17,033)	(17,033)	342,058
Amortisation of grant - current period	-	-	64,599	64,599	80,749
Transfers between reserves	-	-	20,918	20,918	(420,428)
Revaluation	(471,507)	-	-	(471,507)	427,729
At 31 March 2023	<u>1,285,846</u>	<u>1,621,632</u>	<u>9,617,652</u>	<u>12,525,130</u>	<u>12,928,153</u>

**DESIGNATED FUNDS**

	<b>Community, Health &amp; Wellbeing Fund</b>	<b>Development Fund</b>	<b>Component Accounting Fund</b>	<b>Cyclical Maintenance Fund</b>	<b>Extraordinary Repair Fund</b>	<b>2023 Total</b>	<b>2022 Total</b>
	£	£	£	£	£	£	£
At 31 December 2020	-	-	1,594,941	700,000	1,100,000	3,394,941	3,394,941
Income	48,429	-	-	-	-	48,429	-
Transfer from unrestricted funds	-	420,000	-	-	-	420,000	-
At 31 March 2022	<u>48,429</u>	<u>420,000</u>	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,863,370</u>	<u>3,394,941</u>
Income	-	-	-	-	-	-	48,429
Transfer from unrestricted funds	(904)	(20,442)	-	-	-	(21,346)	420,000
At 31 March 2023	<u>47,525</u>	<u>399,558</u>	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,842,024</u>	<u>3,863,370</u>

The Community, Health and Wellbeing Fund was created by the Trustees for the wellbeing of the residents and the community.

The Development Fund was created by the Trustees to set aside for future developments.

The Component Accounting Fund was created to comply with the change to Housing Regulations in 2011.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year Ended 31 March 2023**

**12 RESERVES (continued)**

The Cyclical Maintenance Fund provides a fund for routine repairs, should income from the housing stock be insufficient to meet these costs.

The Extraordinary Repair Fund provides a fund for major repairs, should annual income be insufficient to meet these costs.

<b>RESTRICTED</b>	<b>Residents' Donations</b>	<b>Reserve for recoupment of Capital expenditure</b>	<b>2023 Total</b>	<b>2022 Total</b>
	£	£	£	£
At 31 December 2020	948	170,843	171,791	159,703
<b>Period ended 31 March 2022:</b>				
Income	500	15,457	15,957	11,660
Expenditure	-	-	-	-
Transfers between reserves	-	428	428	428
At 31 March 2022	1,448	186,728	188,176	171,791
<b>Year ended 31 March 2023:</b>				
Income		13,016	13,016	15,957
Expenditure		-	-	-
Transfers between reserves	-	428	428	428
At 31 March 2023	1,448	200,172	201,620	188,176

**13. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Property revaluation reserve</b>	<b>Investment revaluation reserve</b>	<b>Total funds 2023</b>	<b>Total funds 2022</b>
	£	£	£	£	£	£	£
<b>Fixed assets:</b>							
Housing properties	12,489,943	-	-	-	-	12,489,943	12,305,726
Office Equipment	5,151	-	-	-	-	5,151	8,909
Fuel Land Allotments	-	-	38,368	411,632	-	450,000	450,000
Investments	55,574	3,814,941	120,146	760,000	1,285,846	6,036,507	6,347,201
Investment properties	-	-	-	450,000	-	450,000	450,000
Investments-Cash	179,126	-	-	-	-	179,126	660,074
<b>Current assets:</b>							
Debtors	51,709	-	-	-	-	51,709	74,532
Cash at bank	98,145	27,083	43,106	-	-	168,334	134,383
<b>Current liabilities:</b>							
Creditors	(287,217)	-	-	-	-	(287,217)	(367,019)
Long Term Liabilities	(2,974,779)	-	-	-	-	(2,974,779)	(3,084,107)
	<u>9,617,652</u>	<u>3,842,024</u>	<u>201,620</u>	<u>1,621,632</u>	<u>1,285,846</u>	<u>16,568,774</u>	<u>16,979,699</u>

**14. PAYMENTS TO CREDITORS**

The Finchley Charities endeavours to settle suppliers' accounts within 30 days of receipt of invoices.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Year Ended 31 March 2023**

**15. ANALYSIS OF CHANGES IN NET DEBT**

	At 01 Apr 2022	Cash flows	Other non- cash changes	At 31 Mar 2023
	£	£	£	£
<b>Cash and cash equivalent</b>				
Cash at bank & in hand	134,383	33,951	-	168,334
Investment cash	660,074	(480,948)	-	179,126
	<b>794,457</b>	<b>(446,997)</b>		<b>347,460</b>
<b>Borrowings</b>				
Debt due within one year	(50,559)	63,529	(44,729)	(51,834)
Debt due after one year	(1,161,514)	-	44,729	(1,116,785)
	<b>(1,212,073)</b>	<b>63,529</b>	<b>-</b>	<b>(1,168,619)</b>
<b>Total</b>	<b>(417,616)</b>	<b>(383,468)</b>	<b>-</b>	<b>(821,159)</b>

**16. STATEMENT OF COMPREHENSIVE INCOME FOR THE COMPARATIVE PERIOD**

	Unrestricted funds	Designated funds	Restricted funds	2022	Total
	£	£	£		£
<b>INCOME FROM HOUSING</b>					
Social Housing lettings	2,106,360	-	-		2,106,360
Operating expenditure	(2,043,125)	-	-		(2,043,125)
<b>HOUSING ACTIVITY SURPLUS</b>	<b>63,235</b>	<b>-</b>	<b>-</b>		<b>63,235</b>
(Loss) on sale of investments	80,598	-	-		80,598
Investment property income	93,780	-	15,457		109,237
Interest receivable and similar income	241,234	-	-		241,234
Interest payable	(35,798)	-	-		(35,798)
Donations received	90	48,429	500		49,019
Other expenditure	-	-	-		-
Donations payable	(20,332)	-	-		(20,332)
	<b>359,572</b>	<b>48,429</b>	<b>15,957</b>		<b>423,958</b>
<b>Surplus before revaluation gain on investments and transfers</b>	<b>422,807</b>	<b>48,429</b>	<b>15,957</b>		<b>487,193</b>
Revaluation gain on investments	427,729	-	-		427,729
Transfers between funds	(420,428)	420,000	428		-
<b>DEFICIT FOR THE YEAR</b>	<b>430,108</b>	<b>468,429</b>	<b>16,385</b>		<b>914,922</b>
<b>Reserves brought forward</b>	<b>12,498,045</b>	<b>3,394,941</b>	<b>171,791</b>		<b>16,064,777</b>
<b>Reserves carried forward</b>	<b>12,928,153</b>	<b>3,863,370</b>	<b>188,176</b>		<b>16,979,699</b>

**17. CHARITY SCHEME**

The Charity Scheme provides that the Finchley Charities will make annual grants to local Church charities, providing it has the necessary financial resources. In 2023 grants to local Churches amounted to £11,500 (2022 £11,500).

**18. CAPITAL COMMITMENT**

As at 31 March 2023 there were capital commitments totalling £179,453 for external lighting and upkeep of the properties (2022: commitment totalling £10,616 for windows replacement at Wilmot Close).

**THE FINCHLEY CHARITIES**

England & Wales - Charity number 206621

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# Accounts

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**THE FINCHLEY CHARITIES**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 15 MONTHS PERIOD ENDED**  
**31 MARCH 2022**

**Accountants:**  
Alwyns LLP  
Chartered Accountants  
Crown House  
151 High Road  
Loughton  
Essex  
IG10 4LG

**Office:**  
41a Wilmot Close  
East Finchley  
London  
N2 8HP

**THE FINCHLEY CHARITIES**

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**for the 15 Months Ended 31 March 2022**

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## THE FINCHLEY CHARITIES

<b>REGISTRATION</b>	By the Almshouse Association (Number 91) By the Charity Commission (Number 206621) By the Regulator of Social Housing (formerly HCA) (Number A0185)	
<b>PRINCIPAL OFFICE</b>	41a Wilmot Close East Finchley London N2 8HP	
<b>CHARITY WEBSITE</b>	<a href="http://www.thefinchleycharities.org">www.thefinchleycharities.org</a>	
<b>TRUSTEES</b>	Ian Anderson (C) – Vice Chair Roger Chapman (N) – Chair - resigned as Chair 14/02/2022 Adam Gheasuddin (N) – Chair - Trustee from: 15/11/2021 – Chair from: 14/02/22 C John Huckstep (C) – Retired: 14/02/22 Cllr. Daniel Thomas (N) The Rev. Philip Davison (E) Ms Toni Morgan (C) – Resigned 14/02/22 Mr Graham Old (C) Richard Merrin (C) Appointed 17/05/21 Michael Pughsley (C) Appointed 14/02/22 Nigel Benjamin (C) Appointed 14/02/22 Leila Star (C) Appointed 14/02/22 Susanna Morales Appointed 14/02/22 Chinyere Ugwu (C) Appointed 14/02/22  (C) Co-opted (E) Ex-Officio (N) Nominated by London Borough of Barnet	
<b>FULL TIME CHIEF EXECUTIVE:</b>	Mrs S Faridi xMPA, Cert.ICSA	
<b>MANAGERS</b>	Office Manager: Ms Sandra De Souza Property Services Manager: John Everett (Interim) Housing Services Manager: Ms Claire Young	
<b>ACCOUNTANTS/AUDITORS</b>	Alwyns LLP Chartered Accountants Crown House, 151 High Road Loughton Essex IG10 4LG	Brindley Millen Limited Chartered Accountants & Registered Auditors 167 Turners Hill Cheshunt Hertfordshire EN8 9BH
<b>BANKERS</b>	Barclays Bank plc 1250 High Road London N20 0PB	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
<b>INVESTMENT MANAGERS</b>	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN	
<b>SOLICITORS</b>	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT	Hewitsons LLP Shakespeare House Cambridge CB5 8EP

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES

for the 15 Months Ended 31 March 2022

#### **Constitution**

The Finchley Charities was founded in 1488 and operates under a Charity Scheme from the Charity Commission dated 3 March 2011 and also a Registered Social Landlord.

The scheme states that the area of benefit extends into the London Borough of Barnet. The eligibility for residency applies to persons of limited means, aged 55 and above who find it difficult to find suitable and affordable housing for themselves and who are in need of support. The Finchley Charities also operates a Relief in Need fund for local persons and organisations requesting financial assistance subject to certain conditions.

The Finchley Charities own the Fuel Land Allotments. The day to day management is delegated to a voluntary management committee.

#### **Objectives**

The objectives of The Finchley Charities are the relief of poverty in the London Borough of Barnet. It does this by providing sheltered housing accommodation to beneficiaries over the age of 55 and donations to parish churches, individuals and organisations. Donations to the parish churches take precedence and are to be applied towards the upkeep and repair of the fabric of the church buildings. Other donations must not be recurrent or be applied to public funds or in relief of rates and taxes.

#### **Values, Vision & Mission**



#### **Our Values**

Our Values shape how we deliver our Mission and Vision.

#### **Our Mission**

The Finchley Charities enhances lives by providing good quality homes, allotments and grants, together with excellent support services to tackle social isolation, loneliness and improve wellbeing.

#### **Our Vision**

With over 500 years' experience providing housing and services to our communities, we will continue to be a leading provider, committed to building healthy, sustainable communities with high quality homes, solutions and services to improve quality of life.



#### **Governance**

The Trustees have established processes that determine strategic direction and policies. These are regularly reviewed. The Trustees also determine short, medium and long-term priorities, and review associated risks.

The Trustees give day-to-day authority to the managers but delegate to their Chief Executive, the responsibility to ensure compliance with their policies and procedures and to liaise as required with their professional advisors and regulatory bodies. All Trustees are volunteers. Co-opted Trustees are selected for their experience and complementary skills. The London Borough of Barnet is entitled to nominate three Trustees.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the 15 Months Ended 31 March 2022**

The Trustees meet formally at least four times a year. In addition, there are four sub-committees; Finance and Information Technology (IT), Property Services, Housing and Support Services and Fuel Land Allotments. All Sub-Committees meet at least four times a year.

Trustees renamed the Admissions, Welfare and Grants committee in 2021 to Housing and Support Services.

The Finance and IT sub-committee has responsibility for reviewing internal and external Audit reports and HR. The Trustees review the financial position at each meeting and consider all proposals made by the Finance and IT Sub-Committee.

All sub committees will meet more regularly when the need arises.

The principal role of the Trustees is to provide and review the strategic direction, have financial oversight, adopt a Budget, ensure income is applied within a reasonable time and oversee the work of the Sub-Committees and the Chief Executive.

Due to the Covid-19 pandemic, the restrictions and challenges, all sub-committee meetings were incorporated into the main Board and all Board Meetings. This enabled all Trustees to provide effective support and direction in all areas of the business, to ensure good governance was in place. When unable to meet face to face, meetings were held on a virtual platform to keep all staff and Trustees safe. During the autumn 2021, face to face meetings resumed. Different platforms for meetings and decision making will continue to be used as and when required.

To ensure good governance and compliance with the National Housing Federation's Code of Governance following a governance review during 2020, The Finchley Charities undertook a review of the governing documents during the period which included:

1. The Charity Scheme.
2. Governance procedures.
3. Trustees Code of Conduct.
4. An action plan to ensure The Finchley Charities are compliant with the NHF's Code of Governance to ensure good governance continues to be in place.

#### **Control Environment/Procedures**

The Trustees have delegated authority and established lines of responsibility accordingly. Business and management controls set standards of professionalism and integrity for operations, which are managed by experienced and suitably qualified persons.

The Trustees believe that relative to the number of staff, The Finchley Charities has adequate and effective key internal controls.

Policies and procedures are written, implemented and followed. Policies and procedures are regularly reviewed and ratified by Trustees. The review timeframe is dependent on the policy, regulatory requirements and best practice. The introduction of new policies is considered and ratified by Trustees.

#### **Risk Management**

The Finchley Charities has a risk management plan. The major risks to which The Finchley Charities is exposed, as identified by the Trustees, are regularly reviewed and steps taken to mitigate those risks.

The Finchley Charities' risks are reviewed regularly and tabled at Trustee meetings to ensure robust risk management is in place.

During 2020 new risk management processes were developed with a COVID-19 Risk Register working in line with government guidelines. This continues to be reviewed on a regular basis with both staff and Trustees. This is to ensure risks are managed effectively in the changing and challenging environment.

A COVID-19 policy and procedure is also reviewed periodically.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the 15 Months Ended 31 March 2022**

#### **Information Systems**

In order to keep overheads costs down financial management and accounting is outsourced and processed by the bookkeeping department of Alwyns LLP from detail provided by the staff of The Finchley Charities and also further information is provided by the Investment Manager. PC based systems with standard software packages are used for this purpose.

The annual budget is approved by the Trustees. The Chief Executive and Alwyns LLP report on significant adverse variances to the Finance and IT Sub-Committee. Management accounts are produced monthly for review by the Chief Executive, Chairman of the Finance and IT Committee and Alwyns LLP. The Investment Manager updates the committee twice a year by presentation. Minutes of these meetings are presented for discussion at the next Trustees Meeting / Board. Investec provide quarterly investment reports to members of the Finance and IT Sub-Committee on a quarterly basis for review.

#### **Monitoring Systems**

The Chief Executive is responsible for the performance of the staff in relation to policies, procedures and budgets set by the Trustees.

Operational issues may be reported to the Finance and IT Sub-Committee or the Chair if quick decisions are required. The Minutes of all Meetings are approved by the appropriate Committee Chairs and reported to the next full Trustees Meeting / Board for information and ratification.

#### **Reserves Policy**

The Trustees have adopted a reserves policy which they consider appropriate to:

- a) Provide annual amounts for future cyclical repairs and maintenance;
- b) Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for at least one year ahead;
- c) Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the amounts in Designated and Restricted Reserves;
- d) Purchase investments which provide income from which, make it possible to subsidise the weekly maintenance contributions charged to residents of the Almshouses and thus fulfilling one of its charitable objectives.

The Trustees keep the level of reserves under regular review to ensure that they are adequate and appropriate to meet the requirements of The Finchley Charities. The Trustees aim to maintain the free reserves at a level of 3-6 months of expenditure. The current level of free reserves meets this policy.

#### **Employees**

The Finchley Charities places great emphasis on the contribution of its Staff. The Trustees want to place on the record thanks and appreciation for their dedicated work throughout another very difficult year. Staff maintained good and safe links with residents, ensuring high morale throughout the challenges experienced even when working from home.

During 2021/22, Trustees employed the Chief Executive, an Office Manager, an interim Property Services Manager/consultant, Property Services Administrator, Housing Services Manager, Central Services Administrator, five Sheltered Housing Officers, and one Housing Officer. A performance management framework is in place to ensure all staff and the Chief Executive are supported, provided with regular 1-2-1s and yearly appraisals together with performance delivery plans. The Chair of The Finchley Charities carries out the yearly appraisals and 1-2-1s for the Chief Executive and reports performance to the Board. The Finchley Charities is committed to training and development of all staff. The framework ensures staff at all levels have the opportunity to meet, raise and discuss issues with their Manager, the Chief Executive and ultimately the Trustees.

Following an independent Remuneration Review in 2020, Trustees commissioned Altair Limited in 2021/22 to carry out a review due to the changes in the market and cost of living increases to ensure we continue to be in line with the market, continue to value and retain staff, be a good and preferred employer. The review included:

1. Recommendations for The Finchley Charities going forward.
2. The review of The Finchley Charities Remuneration Policy.
3. Market testing on staff salaries and benefits.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the 15 Months Ended 31 March 2022**

4. Review of the salary structure and banding implemented in 2021 from the review and recommendation with our consultants.

#### **Equality and Diversity Policy**

The Trustees are committed to eliminating discrimination and promoting equality of opportunities for all staff and residents.

#### **Trustees Liability Insurance**

As allowed by its mandate, the Trustees have taken out cover of £500,000 at an annual cost of £623.

#### **Investment Policy**

The overall objectives are to create sufficient income and capital growth to enable The Finchley Charities to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. Both capital and income may be used at any time for the furtherance of The Finchley Charities' aims.

#### **Ethical Considerations**

The Trustees wish to preclude investment in tobacco and these are defined as companies with more than 20% of their turnover in this activity.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding particular investments which damage The Finchley Charities' reputation.

Trustees expect the Investment manager to have considered the suitability of investments.

#### **Principal Funding Sources**

Charges made to Residents for accommodation and Income and Profits from Investments.

#### **Appointments and Training of New Trustees.**

Three Trustees are nominated by the London Borough of Barnet and the Ex-Officio Trustee is the Rector of St Mary-at-Finchley Church Rev Philip Davison.

Possible candidates for Co-opted Trusteeship are usually known and nominated by existing Trustees and appointed by the Trustees as a body. Following the Governance Review in 2020, Trustees made the decision to advertise future vacancies. Trustees appoint new Trustees for their specific skills and knowledge following a skills gap analysis. The Chief Executive has the delegated responsibility for providing training.

During 2021/22 The Finchley Charities recruited 7 new Trustees for their skills and expertise - 6 co-opted and 1 nominated from the L B Barnet.

#### **Key Decisions**

The Trustees make all Key Decisions including the ratification of decisions delegated to the Chair or the Chair of the Finance and IT sub-committee.

#### **Activity, Performance Review and Future Plans**

2021/22 was again a challenging year due to the COVID-19 pandemic, but we continued to carry out the core services to a good level. Staff were equipped with the necessary tools to work remotely from home as well as working from the offices safely and effectively when able to do so. All staff worked hard during the period, working flexibly when required. Despite the challenges faced, there were many achievements.

During the year we experienced another period of a high level of voids, equating to 25 which is 14.53% of The Finchley Charities' housing stock. The Finchley Charities experienced a reduction in applicants due to the pandemic.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the 15 Months Ended 31 March 2022**

Staff worked extremely hard to turn voids around, carrying out the refurbishments necessary to re-let. Despite the challenges, by 31 March 2022 19 out of the 25 voids during the period were re-let and occupied. During this period there were 3 internal transfers on medical rounds.

The Trustees are pleased to report that despite the pandemic and challenges faced, we are now starting to return to normal and confident to return to high occupancy rates in 2022/23. There was 96% occupancy at 31 March 2022.

Further challenges experienced were due to the issues faced by contractors, the difficulties with the labour market and the unprecedented increase in cost of materials which affected turning voids around in the expected timeframes.

#### **The organisation strategy**

The organisation strategy is further developed to plan longer term ambitions, to build further homes, reviewing and improving services, processes and governance. The organisational strategy 2017 – 2022 is currently under review. Following the review, a new strategy will be developed for 2023 – 2028.

#### **Asset Management**

The Finchley Charities continue to review its cost base and asset management, particularly with regard to financial efficiencies, value for money and standards for property refurbishments and maintenance, whilst mindful of keeping a good standard of accommodation expected for residents. This has continued despite the challenging year experienced carrying our repairs, maintenance and planned works when and where possible.

Trustees are committed to ensure its current housing stock is well maintained to a high quality standard and has the resources to keep its homes in good condition. Works to properties are planned through regular stock condition surveys. During March 2022, FFT carried out a successful Stock Condition survey, a 100% inspection of all homes and communal areas. The results from the survey will inform a 5 – 30 year plan. The detailed knowledge will inform financial planning and business decisions on investment.

The survey included conducting up to date EPC's to all properties to understand the performance and sustainability of individual properties across the portfolio. Improvement works have been completed since EPC's were previously carried out such as boiler replacements, window and door replacements. This included a review of improvements that can be made to improve EPC ratings through retrofitting if achievable. Trustees' aim is to achieve minimum ratings of C across the portfolio.

The Finchley Charities work to a rolling five-year plan for repairs and major refurbishment which is designed to ensure that the accommodation provided meets with the Decent Homes Standards, (whereby housing should be above the statutory minimum standard be in a reasonable state of repair, provide modern facilities and services and a reasonable degree of thermal comfort). The Finchley Charities' continued main focus will be the planned works programme, to ensure that accommodation is maintained at a good standard for all residents.

#### **Fire Risk Assessment**

We recently carry out regular Fire Risk Assessments and concentrate on completing the actions and improvements needed with staff training to continue to be compliant. The next Fire Risk Assessment is due for completion during April 2022.

#### **Windows and Door Replacement Programme Thackrah close**

A replacement programme started in the first quarter of 2022, due for completion summer 2022.

#### **Lighting Design Homefield**

Consultants from Elektra carried out a project to review the current external lighting at Homefield Gardens together with producing lighting designs to improve lighting externally around the site. Resident consultations took place showing the proposed designs and examples of products recommended. Installation work has been delayed due to the challenges with increased material costs and limited contractor availability. This is now scheduled to start summer / autumn 2022.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the 15 Months Ended 31 March 2022

#### **Bathroom Replacements**

23 completed during the period.

#### **Kitchen Replacements**

8 completed.

#### **Internal decorations (Resident Homes)**

22 homes redecorated.

#### **Boiler replacement Programme**

The boiler replacement programme has been completed. Trustees will now look to explore and plan future heating solutions.

#### **Asset and Development Appraisal**

Trustees are committed if able, to develop more homes needed in the area of benefit. During 2021/22, Campbell Tickell were commissioned to appraise all The Finchley Charities' stock and land to investigate and explore opportunities for the future development of new homes. This consisted of a team of consultants with specific skills, qualifications and knowledge to carry out the appraisal which included architects, surveyors and financial specialists. Trustees' aim to finalise an organisational development strategy and explore the development of new homes in the area of benefit during 2022/3.

#### **Health & Wellbeing**

The organisational focus on Health and Well-being for residents will continue, focusing on activities and events to promote good mental health, promote a good community, reduce social isolation and loneliness. We hope as the country returns to normal we do not face any further restrictions due to COVID-19.

During the past few years, The Finchley Charities' IT improvement programme included moving all the IT and telephone systems to the cloud and the upgrade to the community alarm systems in beneficiaries' homes. During the pandemic this enabled staff to carry out services to our beneficiaries remotely, keeping in touch with all beneficiaries to provide support, but available to respond in person if required. Sheltered Housing Officers maintained regular contact with all beneficiaries and identified those most at risk of isolation and increased their contact and support.

Face to face support has now resumed together with the opening of communal facilities. Staff are now working towards resuming health and well-being activities and events.

Despite in and out of lockdown and restrictions, we managed to restart some activities for residents during the period. We held a summer street party in July 2021 with almost 100 attendees. Other activities included Chair Yoga, Tai chi, a History talk, afternoon teas and lunches.

Through networking opportunities, staff accessed nutritional free meals for those beneficiaries in hardship from local charities.

Due to the Omicron variant during December 2021 Trustees had to make the difficult decision of cancelling events for staff and residents. We repeated what we put in place for Christmas 2020, instead of having Christmas celebrations and events in the community halls, Christmas was delivered to the residents' homes. Residents all received a card, gift, free raffle (prizes kindly donated from The Finchley Charities' contractors) and a meal for those that wanted one, all cooked and delivered by staff. One event did take place at one Sheltered Housing Scheme just before the decisions were made to cancel all activities.

The hard work by all the staff, the management team and Trustees is reflected in the low levels of COVID-19 across all our sites. The restrictions put in place during the pandemic were not always well received but were necessary to ensure the safety of all staff and beneficiaries following government guidelines.

Supporting and keeping beneficiaries focused and reducing social isolation was a key priority and an objective during 2021/22.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the 15 Months Ended 31 March 2022**

#### **Grounds, Gardens and Green Space**

It is so important for residents to socialise and be part of a community which contributes to the reduction of social isolation. The Finchley Charities ensures the grounds, gardens and green space are well maintained to benefit the health & wellbeing of residents. Trustees would like to thank the gardeners for their commitment and hard work for making sure the gardens remained beautiful and accessible for our beneficiaries to enjoy, socialise and be part of a community, which was even more important during the pandemic. Trustees would also like to thank those residents who also contributed to ensure the gardens were well maintained. Maintaining the grounds and gardens remains a priority.

#### **Resident Engagement and Satisfaction**

During the period staff and Trustees worked hard to improve resident engagement, consultation and increase satisfaction across all services.

In May 2021, we developed a residents group consisting of 7 resident representatives to work together with The Finchley Charities. Achievements were made during the year working with the group, such as:

1. Residents Feedback
2. A full resident Survey  
All the resident representatives contributed to the development of the resident survey which included; layout, the format of questions to ensure all resident understood what The Finchley Charities were asking, and the incentive to complete the survey. Resident Representatives also provided support to those residents who needed assistance to complete the survey.
3. The development of the Resident Engagement Strategy to ensure it was fit for purpose, realistic and deliverable with limited jargon. We agreed during 2022 to develop a summary of the strategy for residents.
4. Re-procurement of the repairs and maintenance contract, a resident was involved in all steps of the process from shortlisting to interviews.

Trustees would like to thank the resident representatives for the commitment and contribution throughout the year.

During the period The Finchley Charities became members of TPAS to work closely with Trustees, staff and residents to provide guidance, training and strategies to ensure we work together effectively providing residents with opportunities to express their views.

#### **Resident Satisfaction**

During the period The Finchley Charities undertook a full resident survey, a new applicant & new resident survey as well as the day to day surveys for repairs and maintenance.

All sites have suggestion boxes where residents can share concerns and suggestions.

#### **Full Resident Survey 2021**

The Finchley Charities completed a full resident satisfaction survey during the summer 2021 with the assistance from the resident representatives achieving a 97% return rate. This was an important survey for The Finchley Charities as it provided a platform for the start of the development work on resident engagement and where improvements were needed across all services.

Overall the survey was successful and plans are in place to make the improvements needed.

Following the survey, Trustees held a presentation on the findings for residents at each site. We analysed the results to reflect residents' views, capturing the differences of satisfaction. This provided an opportunity for residents to hear The Finchley Charities' plans, ask questions about the results and to address any concerns. All residents received a copy of the overall results.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the 15 Months Ended 31 March 2022**

Resident satisfaction on repairs and maintenance has improved over the last two quarters of 2021/22, meeting the overall target of 95% satisfaction in the quarter October to December 2021 and just falling short of the target at 94.44 % satisfaction in the quarter January to March 2022. All residents are provided with a survey when a repair or maintenance is carried out in their home. This has improved from the results reflected in the full resident survey carried out in the summer 2021.

#### **Key questions and results of the Resident Survey Summer 2021**

1. How satisfied are you with your neighbourhood and community as a pleasant place to live?  
94.7% satisfied, 2.27% neutral and 3.03% dissatisfied.
2. Overall, how satisfied are you with the help/support offered by Sheltered Housing Officers?  
93.85% satisfied, 2.31% neutral and 3.85% dissatisfied.
3. Overall, how satisfied are you with the communal facilities provided?  
93.13%, satisfied, 3.05% neutral and 3.82% dissatisfied.
4. Taking everything into account, how satisfied are you with The Finchley Charities as a landlord?  
89.47% satisfied, 6.02% neutral and 4.51% dissatisfied.
5. Value for Money  
82.68% satisfied 5.51% neutral and 11.81% dissatisfied.
6. How satisfied are you that The Finchley Charities provides opportunities for you to express your views?  
72.73% satisfied 9.92% neutral and 17.36% dissatisfied.
7. How satisfied or dissatisfied are you with the overall quality of your home?  
87.88% satisfied, 3.79% neutral and 8.33% dissatisfied.
8. How satisfied are you with the security of your home?  
93.08% satisfied, 1.54% neutral and 5.38% dissatisfied.
9. How satisfied are you with the gardening and grounds maintenance?  
90.98% satisfied 3.01% neither Satisfied or dissatisfied 6.02% dissatisfied.
10. How satisfied are you with the overall condition of your home?  
89.31% satisfied 5.34% neutral and 5.34% dissatisfied.
11. How satisfied are you with the overall appearance of the site where you live?  
93.08% satisfied 3.08% neutral and 3.85% dissatisfied.
12. How satisfied are you with the way The Finchley Charities deals with your maintenance to your home?  
75.97% satisfied, 7.75% neutral and 16.28% dissatisfied.

#### **New applicant and New Resident Survey 1<sup>st</sup> Jan 2021 – 31<sup>st</sup> March 2022 some of the key questions asked**

1. Overall, how satisfied were you with the application process prior to coming in for your assessment?  
100% Satisfied.
2. Overall, how satisfied were you with your assessment and home visit?  
100% Satisfied.
3. Overall, how satisfied were you with how the decision is made to approve or decline your application?  
100% Satisfied.
4. How was your overall experience of communication with officers of the Finchley Charities?  
100% Satisfied.
5. Overall, how satisfied were you with the support offered from The Finchley Charities' staff to enable you to move in smoothly?  
100% Satisfied

#### **Future plans, objectives and priorities that will be the focus during 2022/23**

- Continue to focus on improving resident engagement and involvement;
- Continue to develop and improve the health and wellbeing offer;
- Digital inclusion project, to deliver bespoke digital inclusion workshops to groups and individuals to enhance the digital skills of The Finchley Charities' residents;
- Review risk management processes;
- Fire Safety;
- Health & Safety;
- Continue to provide good governance ;
- Develop the new organisational development strategy for 2023 - 2028;
- Review and take the Environment Policy forward;
- Explore the development of new homes;

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the 15 Months Ended 31 March 2022**

- Continue to maintain current assets to a good standard developing a 5 – 30 plan following the recent Stock Condition /survey;
- Start the internal and external decoration programme;
- Improve the gardens and grounds at Pewterers Court and Homefield Gardens;
- Improve door entry systems at Homefield Gardens Nos 1-39;
- Enveloping Project at Cleve House Wilmot Close.
- Complete the bathroom replacement programme;
- Explore the opportunities to develop new homes.

#### **Public Benefit**

The Finchley Charities provide accommodation for those beneficiaries of limited means who have lived within the boundaries of the London Borough of Barnet as set out in the scheme of 2011 registered with the Charities Commission.

Each year the Trustees review The Finchley Charities' objectives, to ensure they continue to reflect The Finchley Charities' aims. In carrying out this review, the Trustees have complied with the duty in section 17(s) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Donations and Grants**

The Finchley Charities made the following donations and grants during the year:

Local Church Donations	£11,500
Other	£8,832

A grant is defined as a financial award made by The Finchley Charities from its funds to support charitable activities, usually to registered charities, charitable community groups and individuals experiencing hardship.

Trustees' grant making policy has no restrictions imposed on the purpose for which grants may be made, as long as the criteria outlined in the Charity Scheme are met. Trustees will award grants when they believe the grant will make a difference and will have an impact in the area of benefit. All applicants will be considered if the organisation or individual can demonstrate the following:

- Need and impact
- The organisation applying for a grant is a registered charity in the UK and operates in the area of benefit – the London Borough of Barnet
- An individual applying for a grant resides in the area of benefit and can demonstrate hardship.

Grants awarded will vary in amount.

All grants are considered at The Finchley Charities' Housing and Support Services Committee on a quarterly basis then ratified by the Finance and IT sub-committee and the Trustees of The Finchley Charities, before grants are awarded in line with The Finchley Charities' charitable objectives.

During 2021/22, we continued to limit the number of grants provided due to the large amount of investment made into the major works programme, for the much needed work required to be undertaken to The Finchley Charities' assets and the loss of investments during a difficult and challenging year. We will continue to provide grants during 2022/23 which will be kept under review.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the 15 Months Ended 31 March 2022

#### Overall performance

Performance indicators:

	2022	2020
Operating margin before revaluation gain on investments	23%	17%
Occupancy	96%	98%
Rent collected	99%	99%
Overheads as a percentage of maintenance contributions	78%	70%
Cost per unit	£9,188	£6,707
Working capital	£(42,946)	£9,021

The Finchley Charities' operating margin has increased following an improved performance on the investments and as the charity continues to invest in its properties whilst maintaining a 96% occupancy and rent collected remains consistent. The working capital has improved from the previous year but continues to be low due to the continued investment in our properties through our planned 'major works' programme.

#### Financial Review of the Year

The surplus before revaluation gains on investments for the 15 months period was £487,193 (2020 – 12 months period was £284,315).

The results for the year excluding the increase or decrease in the value of Investments may be summarised as follows:

	2022 (15 months)	2020 (12 months)
	£	£
Income from Housing	2,025,611	1,656,289
Direct costs	(424,721)	(292,210)
	<u>1,600,890</u>	<u>1,364,079</u>
Administration costs	(691,835)	(484,234)
Depreciation	(415,623)	(320,102)
Loss on replacement of components	(47,167)	(126,908)
Grant Amortisation	80,749	64,599
	<u>527,014</u>	<u>497,434</u>
Cyclical Maintenance Fund costs	(463,779)	(377,145)
Housing activity surplus	<u>63,235</u>	<u>120,289</u>
Other income less donations paid	343,360	234,397
Operating Surplus	<u>406,595</u>	<u>354,686</u>
Profit/(Loss) on sale of investments	80,598	(70,371)
Surplus for the year before revaluation gains/(losses) on investments	<u><u>487,193</u></u>	<u><u>284,315</u></u>

The Finchley Charities complies with the Statement of Recommended Practice (SORP) for Registered Social Landlords in the presentation of its Financial Statements.

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES (continued) for the 15 Months Ended 31 March 2022

#### **Overview**

The Finchley Charities is aware of its status as a Charity and that it has always subsidised accommodation which The Finchley Charities offers. The Finchley Charities has endeavoured to principally use investment income to pay for essential extraordinary repairs and capital costs. The Finchley Charities reviews its investment performance on a regular basis with its Investment Managers throughout the year.

The surplus shown above continued to contribute to the reserves, which are therefore considered adequate to support The Finchley Charities' objectives in the future. The Statement of Financial Position shows an increase in reserves to £16,979,699 at 31 March 2022 which are largely represented by the stock of housing accommodation. The free reserves (unrestricted reserves less fixed assets, deferred government grant and loans) at 31 March 2022 were £119,037.

The Finchley Charities continues to retain the services of professionally qualified staff who are keen to continue the development of The Finchley Charities' targets.

The Finchley Charities' auditors have confirmed that we have an adequate financial position. We have ambition to maintain and improve this position in order that we may be able to offer more grants to those organisations who offer assistance to those in need in Barnet.

It should be acknowledged that the Trustees are not remunerated for their often-considerable work, therefore, Trustees Liability Insurance is in place to protect them from personal liability as far as is possible.

#### **Responsibilities of the Trustees**

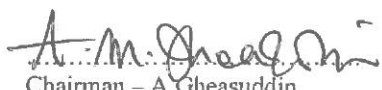
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

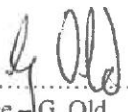
The law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare The Finchley Charities' financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of The Finchley Charities and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Finchley Charities will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain The Finchley Charities' transactions and disclose with reasonable accuracy at any time the financial position of The Finchley Charities and enable them to ensure that the financial statements comply with the Charities Act, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2019 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018 update). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees:

  
Chairman – A Gheasuddin

  
Trustee – G. Old

  
Date

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES** **for the 15 Months Ended 31 March 2022**

#### **Opinion**

We have audited the financial statements of The Finchley Charities (the 'charity') for the period ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of The Finchley Charities' affairs as at 31 March 2022 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

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

## THE FINCHLEY CHARITIES

### REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued) for the 15 Months Ended 31 March 2022

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

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

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Finchley Charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.

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 Report of the Independent Auditors.

**THE FINCHLEY CHARITIES**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)**  
**for the 15 Months Ended 31 March 2022**

**Use of our report**

This report is made solely to The Finchley Charities' Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Finchley Charities and The Finchley Charities' Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Maurice Brindley BSc FCA (Senior Statutory Auditor)  
for and on behalf of Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

Date: ..... 8/8/2022 .....

**THE FINCHLEY CHARITIES**

**STATEMENT OF COMPREHENSIVE INCOME**

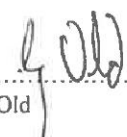
**for the 15 Months Ended 31 March 2022**

		Unrestricted funds	Designated funds	Restricted funds	15 months to 31 March 2022 Total	12 months to 31 Dec 2020 Total
<b>INCOME FROM HOUSING</b>	Note	£	£	£	£	£
Social housing lettings	2	2,106,360	-	-	2,106,360	1,720,888
Operating expenditure	2	(2,043,125)	-	-	(2,043,125)	(1,600,599)
<b>HOUSING ACTIVITY SURPLUS</b>	3	63,235	-	-	63,235	120,289
Profit/(Loss) on sale of investments		80,598	-	-	80,598	(70,371)
Investment property income		93,780	-	15,457	109,237	97,796
Interest receivable and similar income	4	241,234	-	-	241,234	189,447
Interest payable		(35,798)	-	-	(35,798)	(31,356)
Donations received		90	48,429	500	49,019	60
Other expenditure		-	-	-	-	-
Donations payable		(20,332)	-	-	(20,332)	(21,550)
		359,572	48,429	15,957	423,958	164,026
<b>Surplus before revaluation gain on investments and transfers</b>		422,807	48,429	15,957	487,193	284,315
Net revaluation gain/(loss) on investments	12	427,729	-	-	427,729	(475,772)
Transfers between reserves	12	(420,428)	420,000	428	-	-
<b>Surplus/(Deficit) for the period before revaluation of fixed assets</b>		430,108	468,429	16,385	914,922	(191,457)
		-	-	-	-	-
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		430,108	468,429	16,385	914,922	(191,457)
Reserves brought forward		12,498,045	3,394,941	171,791	16,064,777	16,256,234
Reserves carried forward		12,928,153	3,863,370	188,176	16,979,699	16,064,777

The Finchley Charities has no other recognised gains or losses other than the results for the period as set out above. All the activities of The Finchley Charities are continuing.

Approved and authorised for issue by the Trustees on 8/8/2022

  
Chairman - A. Gheasuddin

  
Trustee - G. Old

The notes on pages 19 to 28 form part of these financial statements.

**THE FINCHLEY CHARITIES**


**STATEMENT OF FINANCIAL POSITION**

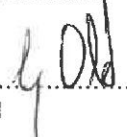
**As at 31 March 2022**

	Note	31 March 2022		31 December 2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Housing Properties	7a		12,305,726		12,248,399
Fuel Land Allotments	7b		450,000		450,000
Office equipment	7a		8,909		10,196
			<u>12,764,635</u>		<u>12,708,595</u>
Investment Properties	7c		450,000		450,000
Investments - Shares	8a	6,347,201		5,954,825	
- Cash	8b	<u>660,074</u>		<u>285,879</u>	
			7,007,275		6,240,704
			<u>20,221,910</u>		<u>19,399,299</u>
<b>CURRENT ASSETS</b>					
Debtors	9	74,532		46,021	
Cash at bank and in hand		<u>134,383</u>		<u>395,355</u>	
		208,915		441,376	
<b>CREDITORS: Amounts falling due within one year</b>					
	10	<u>(367,019)</u>		<u>(545,872)</u>	
<b>NET CURRENT(LIABILITIES)</b>					
			(158,104)		(104,496)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>20,063,806</u>		<u>19,294,803</u>
<b>CREDITORS: Amounts falling due after more than one year</b>					
	10		(3,084,107)		(3,230,026)
<b>NET ASSETS</b>					
			<u>16,979,699</u>		<u>16,064,777</u>
<b>RESERVES</b>					
	12/13				
Revenue - unrestricted			9,549,168		9,546,789
Property revaluation reserve			1,621,632		1,621,632
Investment revaluation reserve			<u>1,757,353</u>		<u>1,329,624</u>
			12,928,153		12,498,045
Designated			3,863,370		3,394,941
Restricted			<u>188,176</u>		<u>171,791</u>
			<u>16,979,699</u>		<u>16,064,777</u>

Approved and authorised for issue by the Trustees on

8/8/2022

  
 Chairman - A. Gheasuddin

  
 Trustee - G. Old

The notes on pages 19 to 28 form part of these financial statements.

**THE FINCHLEY CHARITIES**  
**STATEMENT OF CASH FLOWS**  
**As at 31 March 2022**

	<b>2022</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net cash from operating activities	466,176	467,549
<b>Cash flows from financing activities:</b>		
Mortgage capital movement	(63,529)	(48,572)
Interest paid on mortgage	<u>(35,798)</u>	<u>(31,356)</u>
Net cash flow from financing activities	<u>(99,327)</u>	<u>(79,928)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(711,643)	(400,733)
Purchase of other PPE	(6,647)	(6,099)
Purchase of investments (shares)	(665,092)	(1,098,852)
Proceeds from disposal of investments (shares)	810,817	1,062,894
Investment property income	109,237	84,087
Investment income	209,702	163,068
Interest received	<u>-</u>	<u>-</u>
Net cash flow used in investing activities	<u>(253,626)</u>	<u>(195,635)</u>
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>	113,223	191,986
<b>Cash and cash equivalents at beginning of the reporting period</b>	<u>681,234</u>	<u>489,248</u>
<b>Cash and cash equivalents at end of the reporting period (Note 15)</b>	<u><u>794,457</u></u>	<u><u>681,234</u></u>
<b><u>RECONCILIATION OF NET INCOME/(EXPENDITURE)</u></b>		
<b><u>TO NET CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net income before revaluation gains on investments	487,193	284,315
<b>Adjustments for:</b>		
Depreciation charges	415,623	320,102
Loss on disposal of fixed assets	47,167	126,908
Amortisation of Grant	(80,749)	(64,599)
Investment property income received	(109,237)	(97,796)
Interest payable	35,798	31,356
Investment income received	(239,549)	(188,337)
Interest received	-	-
(Profit)/Loss on sale of investment (shares)	(80,598)	70,371
(Increase) in debtors (less accrued investment income)	(28,438)	(7,765)
Increase/(Decrease) in creditors (less mortgage, deferred government grants and capital creditors)	18,966	(7,006)
<b>Net cash provided from operating activities</b>	<u><u>466,176</u></u>	<u><u>467,549</u></u>

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the 15 Months Ended 31 March 2022**

#### **1. PRINCIPAL ACCOUNTING POLICIES**

##### **Legal Status**

The Finchley Charities is a registered charity (Registered Number 206621) and is registered with the Regulator of Social Housing (formerly Homes and Communities Agency) as a Private Registered Provider of Social Housing (Registered Number A0185) and the Almshouse Association (Registered Number 91). The registered office is 41a Wilmot Close, East Finchley, London N2 8HP.

##### **Accounting Convention**

The financial statements have been prepared in accordance with applicable accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice for registered social housing providers (SORP 2018 update). The principal activity of The Finchley Charities is to provide relief of poverty in the London Borough of Barnet. In accordance with FRS 102 (3.3 A), the charity is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The accounts are prepared on the historical cost basis of accounting except for investment properties and investments which are included at fair value and are presented in sterling (£).

The financial statements are for 15 months from 1 January 2021 to 31 March 2022 following a change in the accounting period from 31 December to 31 March. The comparatives are for the year ended 31 December 2020.

##### **Going concern**

The accounts have been prepared on the basis that it will continue as a going concern. There are sufficient reserves to enable The Finchley Charities to continue to achieve its objectives for the foreseeable future.

A summary of significant accounting policies is set out below.

##### **Income**

Income from Housing represents income receivable from accommodation net of any voids, amortised capital grants from Local Authorities, The Housing Corporation and the GLA and charitable donations measured at value of the consideration received or receivable.

##### **Fixed Assets, Housing Properties and Component Accounting**

Housing Properties held to provide a social benefit are stated at cost less accumulated depreciation and impairment losses. The Finchley Charities calculates depreciation by implementing component accounting. Estimated figures have been used where due to the elapse of time or the disproportionate cost of ascertaining the figures, it has not been possible to get actual information. This means that depreciation is charged based on the estimated useful life of each component within the housing properties as follows:

Structure	100 years
Roofs	60 years
Windows and Doors	30 years
Lifts	30 years
Plumbing	30 years
Electrics	30 years
Bathrooms	20 years and 30 years
Kitchens	20 years
Heating	20 years
Careline & safety systems	20 years

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the 15 Months Ended 31 March 2022**

External structures	20 years
Office	20 years
Communal Hall	10 years

#### **Fixed Assets, Housing Properties and Component Accounting (cont'd)**

Housing stock under construction, together with interest on mortgage are capitalised but not depreciated until the property is occupied. Interest is capitalised in fixed asset housing properties up to the date of completion of capital works on each scheme. The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme.

Office equipment is depreciated at the rate of 25% on cost per annum.

#### **Social Housing Grant**

Government grants include grants receivable from the Homes & Communities Agency (HCA), local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in income from housing over the estimated useful life of the housing property components, under the accrual model.

Grants due from government organisations or received in advance are included as current liabilities.

#### **Impairment**

At each Statement of Financial Position date, housing schemes are assessed to determine if there are indicators that the scheme may be impaired in value; if there are such indicators of impairment, then a comparison of the scheme's carrying value compared to its recoverable amount, is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately.

#### **Investments**

Investments are measured initially at cost and subsequently at fair value (their market value) valued at market value at the Statement of Financial Position date. The Statement of Comprehensive Income includes the net gains and losses arising on revaluations and disposals throughout the year.

Investment properties are included in the Statement of Financial Position at fair value. The last revaluation was July 2018 carried out by Lambert Chartered Surveyors. Revaluation surpluses and deficits are recognised as part of the Statement of Comprehensive Income.

#### **Fuel Land Allotments**

This property came under the jurisdiction of The Finchley Charities in 1892 and laid out 113 allotments. The income from the holders was used to buy coal for poor people and pensioners. It later was used for fuel vouchers for Finchley Old People's Welfare. It is now incorporated in the latest scheme of 2011 to be rented out to allotments holders who fall in the area of benefit. The property has been treated as a permanent endowment of The Finchley Charities. It has been revalued by Lambert Chartered Surveyors in July 2018.

#### **Pension costs**

The Finchley Charities contributes to an industrial scheme for employees (defined contribution scheme). The assets of the scheme are held separately from those of The Finchley Charities. The annual contributions payable are charged to the Statement of Comprehensive Income. The Finchley Charities has no potential liability other than for the payment of those contributions.

#### **Debtors**

Debtors are amounts owed to The Finchley Charities and are included at their recoverable amount. Debtors also include prepayments where payment has been made in advance of receipt of the goods or services.

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the 15 Months Ended 31 March 2022**

#### **Cash at Bank and in hand**

Cash at Bank and in hand is held to meet short term cost commitments as they fall due, and includes all cash equivalents held in the liquid investments.

#### **Creditors**

A liability is an amount due to a creditor and is recognised as the amount The Finchley Charities anticipates it will pay to settle the debt. Creditors also include amounts received in advance for goods and services it must provide.

#### **Financial Instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when The Finchley Charities becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that The Finchley Charities will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Finchley Charities' cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

#### **Cyclical Maintenance Fund**

The Finchley Charities charges actual costs incurred to the Statement of Comprehensive Income. However it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted cost of work in the following year, adjusted for one off expenditure.

#### **Extraordinary Repair Fund**

The Finchley Charities charges actual costs to the Statement of Comprehensive Income. However it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted costs of work in the following year, adjusted for one off expenditure

#### **Restricted Reserves**

When additional works on the Almshouses was undertaken in the 1970's the Charity Commission required £428 per annum to be invested annually from 1976 to 2036 and it is accumulated with its attached investments so as to replace the capital.

#### **Taxation**

The Finchley Charities is registered with the Tenant Services Authority and has charitable status. It is therefore exempt from liability to taxation on its charitable income and capital gains.

#### **Value Added Tax**

The Finchley Charities is not registered for value added tax. In these financial statements, where applicable income and expenditure is shown inclusive of VAT.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the 15 Months Ended 31 March 2022**

**2. PARTICULARS OF INCOME AND EXPENDITURE FROM HOUSING ACCOMMODATION**

	<b>2022</b>	<b>2020</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Income from housing</b>		
Maintenance charges - Housing for older people	2,099,374	1,693,493
Less: Losses from voids	(73,763)	(36,197)
Less: Repayment to residents	-	(1,007)
Amortised government grant	80,749	64,599
<b>Total income from housing</b>	<u>2,106,360</u>	<u>1,720,888</u>
<b>Expenditure on housing activities</b>		
Services	139,201	74,226
Management	142,042	121,849
Routine maintenance	143,478	96,135
Cyclical Maintenance Fund	463,779	377,145
Housing properties depreciation	407,689	314,102
Loss on disposal of components	47,167	126,908
Bad debts & provision	2,148	-
Other costs	697,621	490,234
<b>Total expenditure on housing</b>	<u>2,043,125</u>	<u>1,600,599</u>
<b>Operating surplus on housing activities</b>	<u>63,235</u>	<u>120,289</u>
<b>Number of units</b>	<b>No</b>	<b>No</b>
At 1 January 2021	172	172
At 31 March 2022 (all managed and owned)	<u>172</u>	<u>172</u>

**3. HOUSING ACTIVITY SURPLUS**

The operating surplus is stated after charging:

	<b>2022</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation	415,623	320,102
Loss on disposal of components	47,167	126,908
Grant amortisation	(80,749)	(64,599)
Auditors remuneration - as auditors	6,097	5,936

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2022</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Investment income	239,549	188,337
Interest from cash deposits	-	-
Other income	1,685	1,110
	<u>241,234</u>	<u>189,447</u>

Investment income includes £29,774 accumulated dividends (2020: £25,960) and accrued interest of £1,853 (2020: £1,780).

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the 15 Months Ended 31 March 2022**

#### **5. STAFF**

The average number of staff employed by the Charity during the financial period was:

	<b>2022</b>	<b>2020</b>
	No.	No.
Administrative	5	6
Sheltered Housing Officers	5	5
	<u>10</u>	<u>11</u>
	<b>2022</b>	<b>2020</b>
	£	£
Wages & salaries	444,195	333,786
Social security costs	27,637	24,299
Pension costs	14,726	10,949
	<u>486,558</u>	<u>369,034</u>

The key management personnel (excluding the Trustees) is the Chief Executive whose remuneration for the 15 months to 31 March 2022 was £100,203 including £9,819 employer's NI and £8,194 employer's pension contributions (12 months to 31 December 2020: £75,111 including £7,373 employer's NI and £6,043 employer's pension contribution). The Chief Executive is an ordinary member of the defined contribution pension scheme with pension arrangements which are similar to those of other staff.

No other employee earned in excess of £60,000 (2020: none).

#### **6. TRANSACTIONS WITH TRUSTEES**

None of the Trustees received any emoluments for their services. Expenses for travel and telecommunication totalling £nil were reimbursed during the period (2020: £44 to 2 trustees).

Many of the Trustees are involved with Churches and other charities in the area, some of whom received financial help through the Relief in Need programme.

When considering making donations, Trustees with any interest declare that interest and abstain from these decisions. These actions are recorded in the minutes of Trustees meetings.

Other than the above none of the Trustees has any interest in any contracts with The Finchley Charities.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the 15 Months Ended 31 March 2022**

**7. FIXED ASSETS**

a) Tangible fixed assets	Freehold Housing Properties £	Housing Property Under Construction £	Office Equipment £	Total 2022 £
<b>COST / VALUATION</b>				
At 1 January 2021	14,532,778	-	36,256	14,569,034
Additions	512,183	-	6,647	518,830
Disposals	(101,750)	-	(12,256)	(114,006)
Transfer			-	-
At 31 March 2022	<u>14,943,211</u>	-	<u>30,647</u>	<u>14,973,858</u>
<b>DEPRECIATION</b>				
At 1 January 2021	2,284,379	-	26,060	2,310,439
Charge for period	407,689	-	7,934	415,623
Disposals	(54,583)	-	(12,256)	(66,839)
At 31 March 2022	<u>2,637,485</u>	-	<u>21,738</u>	<u>2,659,223</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>12,305,726</u>	-	<u>8,909</u>	<u>12,314,635</u>
At 31 December 2020	<u>12,248,399</u>	-	<u>10,196</u>	<u>12,258,595</u>

Additions in the period include component additions of £512,183 of which £82,244 was included in creditors (2020: £393,015 of which £281,704 included in creditors).

**b) Fuel Land Allotments**

This property is a permanent endowment of the Charity and is shown as a fixed asset with no known original cost. There is income from the allotments amounting to £15,457 (2020: £11,660) which is used towards the donations made under the Relief in Need objective. The property is included in the Statement of Financial Position at valuation of £450,000 (2020: £450,000).

**c) Investments - Property**

Property	Valuation 2022 £	2020 £	Tenant	Current Annual Rent £	Current Insurance Premiums £
Advertising Hoardings, 250 - 274 High Road	50,000	50,000	J C Decaux Ltd	5,000	*
The Ann Owens Centre, Tarling Road	400,000	400,000	Age UK Barnet	26,371	1,663
	<u>450,000</u>	<u>450,000</u>		<u>31,371</u>	<u>1,663</u>

\*Arranged by Tenants

The above property valuations were carried out by professional external valuers, Lamberts Chartered Surveyors.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the 15 Months Ended 31 March 2022**

**8a. INVESTMENTS - SHARES**

	£
Balance at 1 January 2021	5,954,825
Additions (including £29,774 accumulated dividends)	694,866
Disposals	(730,219)
Net unrealised gain on revaluation	427,729
Balance at 31 March 2022	<u>6,347,201</u>

	Cost		Market value	
	2022	2020	2022	2020
	£	£	£	£
Funds managed by:				
Investec Wealth & Investment - Investments	2,623,992	2,688,561	3,474,779	3,464,596
- M&G	1,844,782	1,825,621	2,149,483	1,847,437
COIF	16,588	16,588	385,319	347,496
M&G Charity Multi Asset Fund (previously NAACIF)	151,270	141,059	337,620	295,296
	<u>4,636,632</u>	<u>4,671,829</u>	<u>6,347,201</u>	<u>5,954,825</u>
<b>8b. Investment - Cash</b>			<u>660,074</u>	<u>285,879</u>

**9. DEBTORS: Due within one year**

	2022	2020
	£	£
Rent arrears	30,876	19,689
Less: bad debt provision	(5,000)	(5,000)
	<u>25,876</u>	<u>14,689</u>
Prepayments and Other debtors	48,656	31,332
	<u>74,532</u>	<u>46,021</u>

**10. CREDITORS: Amounts falling due within one year**

	2022	2020
	£	£
Creditors	158,670	172,241
PAYE/NI	7,928	8,660
Other creditors	85,263	251,454
Deferred government grant (Note 11)	64,599	64,599
Mortgage	50,559	48,918
	<u>367,019</u>	<u>545,872</u>

**CREDITORS: Amounts falling due after one year**

	2022	2020
	£	£
Deferred government grant (Note 11)	1,922,593	2,003,342
Mortgage 2-5 years	216,077	209,064
More than 5 years	945,437	1,017,620
	<u>3,084,107</u>	<u>3,230,026</u>

The mortgage is payable in monthly instalments over 25 years. The annual interest rate is 2.15% plus BEBR and the mortgage of £1,500,000 is secured on the new property.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the 15 Months Ended 31 March 2022**

**11. DEFERRED GOVERNMENT GRANT**

	<b>Total 2022</b>	<b>Total 2020</b>
	£	£
At 1 January 2021	2,067,941	2,132,540
Amortisation of grant for the year	(80,749)	(64,599)
At 31 March 2022	<u>1,987,192</u>	<u>2,067,941</u>
Due within one year	<u>64,599</u>	<u>64,599</u>
Due after one year	<u>1,922,593</u>	<u>2,003,342</u>

The Finchley Charities received government grants totalling £4,634,238 over the years of which £2,647,046 has been released to the Statement of Comprehensive Income to date.

**12. RESERVES**

**UNRESTRICTED FUNDS**

	<b>Investments Revaluation</b>	<b>Property Revaluation</b>	<b>Revenue Fund</b>	<b>Total 2022</b>	<b>Total 2020</b>
	£	£	£	£	£
At 31 December 2019	1,805,396	1,621,632	9,274,562	12,701,590	11,460,779
<b>Year ended 31 December 2020:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	208,056	208,056	430,062
Amortisation of grant - current year	-	-	64,599	64,599	64,599
Transfers between reserves	-	-	(428)	(428)	(428)
Revaluation	(475,772)	-	-	(475,772)	746,578
At 31 December 2020	<u>1,329,624</u>	<u>1,621,632</u>	<u>9,546,789</u>	<u>12,498,045</u>	<u>12,701,590</u>
<b>Period ended 31 March 2022:</b>					
Surplus for the period before grant amortisation and revaluations	-	-	342,058	342,058	208,056
Amortisation of grant - current period	-	-	80,749	80,749	64,599
Transfers between reserves	-	-	(420,428)	(420,428)	(428)
Revaluation	427,729	-	-	427,729	(475,772)
At 31 March 2022	<u>1,757,353</u>	<u>1,621,632</u>	<u>9,549,168</u>	<u>12,928,153</u>	<u>12,498,045</u>

**DESIGNATED FUNDS**

	<b>Community, Health &amp; Wellbeing Fund</b>	<b>Development Fund</b>	<b>Component Accounting Fund</b>	<b>Cyclical Maintenance Fund</b>	<b>Extraordinary Repair Fund</b>	<b>2022 Total</b>	<b>2020 Total</b>
	£	£	£	£	£	£	£
At 31 December 2019	-	-	1,594,941	700,000	1,100,000	3,394,941	3,394,941
At 31 December 2020	-	-	1,594,941	700,000	1,100,000	3,394,941	3,394,941
Income	48,429	-	-	-	-	48,429	-
Transfer from unrestricted funds	-	420,000	-	-	-	420,000	-
At 31 March 2022	<u>48,429</u>	<u>420,000</u>	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,863,370</u>	<u>3,394,941</u>

The Community, Health and Wellbeing Fund was created by the Trustees for the wellbeing of the residents and the community.

The Development Fund was created by the Trustees to set aside for future developments.

The Component Accounting Fund was created to comply with the change to Housing Regulations in 2011.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the 15 Months Ended 31 March 2022**

**12 RESERVES (continued)**

The Cyclical Maintenance Fund provides a fund for routine repairs, should income from the housing stock be insufficient to meet these costs.

The Extraordinary Repair Fund provides a fund for major repairs, should annual income be insufficient to meet these costs.

<b>RESTRICTED</b>	<b>Residents' Donations</b>	<b>Reserve for recoupment of Capital expenditure</b>	<b>2022 Total</b>	<b>2020 Total</b>
	£	£	£	£
At 31 December 2019	948	158,755	159,703	148,411
<b>Year ended 31 December 2020:</b>				
Income		11,660	11,660	11,105
Expenditure	-	-	-	(241)
Transfers between reserves	-	428	428	428
At 31 December 2020	948	170,843	171,791	159,703
<b>Period ended 31 March 2022:</b>				
Income	500	15,457	15,957	11,660
Expenditure		-	-	(241)
Transfers between reserves	-	428	428	428
At 31 March 2022	1,448	186,728	188,176	171,550

**13. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Property revaluation reserve</b>	<b>Investment revaluation reserve</b>	<b>Total funds 2022</b>	<b>Total funds 2020</b>
	£	£	£	£	£	£	£
<b>Fixed assets:</b>							
Housing properties	12,305,726	-	-	-	-	12,305,726	12,248,399
Office Equipment	8,909	-	-	-	-	8,909	10,196
Fuel Land Allotments	-	-	38,368	411,632	-	450,000	450,000
Investments	314,761	3,394,941	120,146	760,000	1,757,353	6,347,201	5,954,825
Investment properties	-	-	-	450,000	-	450,000	450,000
Investments-Cash	240,074	420,000	-	-	-	660,074	285,879
<b>Current assets:</b>							
Debtors	74,532	-	-	-	-	74,532	46,021
Cash at bank	56,292	48,429	29,662	-	-	134,383	395,355
<b>Current liabilities:</b>							
Creditors	(367,019)	-	-	-	-	(367,019)	(545,872)
Long Term Liabilities	(3,084,107)	-	-	-	-	(3,084,107)	(3,230,026)
	9,549,168	3,863,370	188,176	1,621,632	1,757,353	16,979,699	16,064,777

**14. PAYMENTS TO CREDITORS**

The Finchley Charities endeavours to settle suppliers' accounts within 30 days of receipt of invoices.

## THE FINCHLEY CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the 15 Months Ended 31 March 2022

#### 15. ANALYSIS OF CHANGES IN NET DEBT

	At 01 Jan 2021	Cash flows	Other non-cash changes	At 31 Mar 2022
	£	£	£	£
<b>Cash and cash equivalent</b>				
Cash at bank & in hand	395,355	(260,972)	-	134,383
Investment cash	285,879	374,195	-	660,074
	<b>681,234</b>	<b>113,223</b>		<b>794,457</b>
<b>Borrowings</b>				
Debt due within one year	(48,918)	63,529	(65,170)	(50,559)
Debt due after one year	(1,226,684)	-	65,170	(1,161,514)
	<b>(1,275,602)</b>	<b>63,529</b>	<b>-</b>	<b>(1,212,073)</b>
<b>Total</b>	<b>(594,368)</b>	<b>176,752</b>	<b>-</b>	<b>(417,616)</b>

#### 16. STATEMENT OF COMPREHENSIVE INCOME FOR THE COMPARATIVE PERIOD

	Unrestricted funds	Designated funds	Restricted funds	2020	Total
	£	£	£		£
<b>INCOME FROM HOUSING</b>					
Social Housing lettings	1,720,888	-	-		1,720,888
Operating expenditure	(1,600,599)	-	-		(1,600,599)
<b>HOUSING ACTIVITY SURPLUS</b>	<b>120,289</b>	<b>-</b>	<b>-</b>		<b>120,289</b>
(Loss) on sale of investments	(70,371)	-	-		(70,371)
Investment property income	86,136	-	11,660		97,796
Interest receivable and similar income	189,447	-	-		189,447
Interest payable	(31,356)	-	-		(31,356)
Donations received	60	-	-		60
Other expenditure	-	-	-		-
Donations payable	(21,550)	-	-		(21,550)
	<b>152,366</b>	<b>-</b>	<b>11,660</b>		<b>164,026</b>
<b>Surplus before revaluation gain on investments and transfers</b>	<b>272,655</b>	<b>-</b>	<b>11,660</b>		<b>284,315</b>
Revaluation loss on investments	(475,772)	-	-		(475,772)
Transfers between funds	(428)	-	428		-
<b>DEFICIT FOR THE YEAR</b>	<b>(203,545)</b>	<b>-</b>	<b>12,088</b>		<b>(191,457)</b>
<b>Reserves brought forward</b>	<b>12,701,590</b>	<b>3,394,941</b>	<b>159,703</b>		<b>16,256,234</b>
<b>Reserves carried forward</b>	<b>12,498,045</b>	<b>3,394,941</b>	<b>171,791</b>		<b>16,064,777</b>

#### 17. CHARITY SCHEME

The Charity Scheme provides that the Finchley Charities will make annual grants to local Church charities, providing it has the necessary financial resources. In 2022 grants to local Churches amounted to £11,500 (2020 £11,500).

#### 18. CAPITAL COMMITMENT

As at 31 March 2022 there were capital commitments totalling £10,616 for windows replacements at Wilmot (2020: commitment totalling £80,838 for boiler replacements at Homefield Gardens).

**THE FINCHLEY CHARITIES**

England & Wales - Charity number 206621

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# Accounts

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Charity Number: 206621  
Regulator of Social Housing, formerly Homes and Community Agency Number A0185

**THE FINCHLEY CHARITIES**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**

**Accountants:**  
Alwyns LLP  
Chartered Accountants  
Trinity House  
Waltham Abbey  
Essex  
EN9 1PH

**Office:**  
41a Wilmot Close  
East Finchley  
London  
N2 8HP

**THE FINCHLEY CHARITIES**

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**for the Year Ended 31 December 2020**

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## **THE FINCHLEY CHARITIES**

<b>REGISTRATION</b>	By the Almshouse Association (Number 91) By the Charity Commission (Number 206621) By the Regulator of Social Housing (formerly HCA) (Number A0185)	
<b>PRINCIPAL OFFICE</b>	41a Wilmot Close East Finchley London N2 8HP	
<b>CHARITY WEBSITE</b>	<a href="http://www.thefinchleycharities.org">www.thefinchleycharities.org</a>	
<b>TRUSTEES</b>	Mr Ian Anderson (C) – Vice Chairman Mr Roger Chapman (N) – Chairman Ms Elizabeth Davies (C) – (Resigned 8 <sup>th</sup> June 2020) Mr C John Huckstep (C) Mr Martin O'Donnell (C) - (Resigned 8 <sup>th</sup> June 2020) Cllr. Daniel Thomas (N) The Rev. Philip Davison (E) Ms Toni Morgan (C) Mr Mahmood Syed FCA (C) – (Resigned 28 <sup>th</sup> April 2020) Mr Graham Old (C) Mr Robert Shutler (C) (Resigned 19 <sup>th</sup> May 2020)  (C) Co-opted (E) Ex-Officio (N) Nominated by London Borough of Barnet	
<b>FULL TIME CHIEF EXECUTIVE:</b>	Mrs S Faridi xMPA, Cert.ICSA	
<b>MANAGERS</b>	Office Manager: Ms Jackie Cartwright Property Services Manager: John Everett (Interim) Housing Services Manager: Ms Claire Young	
<b>ACCOUNTANTS/AUDITORS</b>	Alwyns LLP Chartered Accountants Trinity House, Sewardstone Road Waltham Abbey Essex EN9 1PH	Brindley Millen Limited Chartered Accountants & Registered Auditors 167 Turners Hill Cheshunt Hertfordshire EN8 9BH
<b>BANKERS</b>	Barclays Bank plc 1250 High Road London N20 0PB	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
<b>INVESTMENT MANAGERS</b>	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN	
<b>SOLICITORS</b>	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT	Hewitsons LLP Shakespeare House Cambridge CB5 8EP

## THE FINCHLEY CHARITIES

### REPORT OF THE TRUSTEES for the Year Ended 31 December 2020

#### **Constitution**

The Finchley Charities was founded in 1488 and operates under a Charity Scheme from the Charity Commission dated 3 March 2011. The scheme states that the area of benefit extends into the London Borough of Barnet. The eligibility for residency applies to persons of limited means aged 55 and above who find it difficult to get suitable and affordable housing for themselves who are in need of support. The Finchley Charities also operates a Relief in Need fund for local persons and organisations requesting financial assistance subject to certain conditions and Fuel Land Allotments.

#### **Objectives**

The objectives of The Finchley Charities are the relief of poverty in the London Borough of Barnet. It does this by providing sheltered housing accommodation and donations to parish churches, individuals and organisations. Donations to the parish churches take precedence and are to be applied towards the upkeep and repair of the fabric of the church buildings. Other donations must not be recurrent or be applied to public funds or in relief of rates and taxes.



#### **Our Values**

Our Values shape how we deliver our Mission and Vision.

#### **Our Mission**

The Finchley Charities enhances lives by providing good quality homes, amenities and grounds, together with excellent support services to tackle social isolation, loneliness and improve wellbeing.

#### **Our Vision**

With over 500 years' experience providing housing and services to our communities, we will continue to be a leading provider, committed to building healthy, sustainable communities with high quality homes, services and support to improve quality of life.



#### **Governance**

The Trustees have established processes that determine strategic direction and policies. These are regularly reviewed. The Trustees also determine short, medium and long-term priorities, and review associated risks.

The Trustees give day-to-day authority to the managers but delegate to their Chief Executive, the responsibility to ensure compliance with their policies and procedures and to liaise as required with their professional advisors and regulatory bodies. All Trustees are volunteers. Co-opted Trustees are selected for their experience and complementary skills. The London Borough of Barnet is entitled to nominate three Trustees.

The Trustees meet formally at least four times a year. In addition, there are four sub-committees; Finance and Information Technology (IT), Property Services, Admissions, Grants and Welfare and Fuel Land Allotments. All Sub-Committees meet at least four times a year.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

The Finance and IT sub-committee has responsibility for reviewing internal and external Audit reports and HR. The Trustees review the financial position at each meeting and consider all proposals made by the Finance and IT Sub-Committee.

All sub committees will meet more regularly when the need arises.

The principal role of the Trustees is to provide and review strategic direction, adopt a Budget, ensure income is applied within a reasonable time and oversee the work of the Sub-Committees.

Due to the Covid-19 pandemic, the restrictions and challenges, all sub-committee meetings were incorporated into the main Board and all Board Meetings. This enabled all Trustees to provide effective support and direction in all areas of the business, to ensure good governance was to in place. When unable to meet face to face, meetings were held on a virtual platform to keep all staff and Trustees safe.

To ensure good governance and compliance with the National Housing Federation's Code of Governance, The Finchley Charities undertook a governance review in 2020. Trustees reviewed all areas of governance which included:

1. The Charity Scheme – Trustees made some administrative updates and amendments to improve the governance and operations of The Finchley Charities.
2. Governance procedures were developed including the process and induction of new Trustees.
3. Trustees Code of Conduct.
4. An action plan to ensure The Finchley Charities are compliant with the NHF's Code of Governance to ensure good governance continues to be in place.

As part of the governance review, workshops took place with staff and Trustees to review and develop The Finchley Charities' Vision, mission and values.

#### **Control Environment/Procedures**

The Trustees have delegated authority and established lines of responsibility accordingly. Business and management controls set standards of professionalism and integrity for operations, which are managed by experienced and suitably qualified persons.

The Trustees believe that relative to the number of staff The Finchley Charities has adequate and effective key internal controls.

Policies and procedures are written, implemented and followed. Policies and procedures are regularly reviewed and ratified by Trustees. The review timeframe is dependent on the policy, regulatory requirements and best practice. The introduction of new policies are considered and ratified by Trustees.

#### **Risk Management**

The Finchley Charities has a risk management plan. The major risks to which The Finchley Charities is exposed, as identified by the Trustees, are regularly reviewed and steps taken to mitigate those risks. During 2021 The Finchley Charities' risk management process will be reviewed to ensure robust risk management is in place.

During 2020 new risk management processes were developed with a COVID-19 Risk Register working in line with government guidelines. This was and continues to be reviewed on a regular basis with both staff and Trustees. This is to ensure risks are managed effectively in this changing and challenging environment.

A COVID-19 policy and procedure was also developed.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

#### **Information Systems**

In order to keep overheads down financial management and accounting is outsourced and processed by the bookkeeping department of Alwyns LLP from detail provided by the staff of The Finchley Charities and also further information is provided by the Investment Manager. PC based systems with standard software packages are used for this purpose.

The annual budget is approved by the Trustees. The Chief Executive and Alwyns LLP report on significant adverse variances to the Finance and IT Sub-Committee. Management accounts are produced monthly for review by the Chief Executive, Chairman of the Finance and IT Committee and Alwyns LLP. The Investment Manager updates the committee twice a year. Minutes of these Meetings are presented for discussion at the next Trustees Meeting. Investec provide quarterly investment reports to members of the Finance and IT Sub-Committee on a quarterly basis for review.

#### **Monitoring Systems**

The Chief Executive is responsible for the performance of the staff in relation to policies, procedures and budgets set by the Trustees.

Operational issues may be reported to the Finance and IT Sub-Committee or the Chairman if quick decisions are required. The Minutes of all Meetings are approved by the appropriate Committee Chairman and reported to the next full Trustees Meeting for information and approval.

#### **Reserves Policy**

The Trustees have adopted a reserves policy which they consider appropriate to:

- a) Provide annual amounts for future cyclical repairs and maintenance;
- b) Allow for fluctuations in cash flow and be able to meet budgeted expenditure and donations for at least one year ahead;
- c) Accumulate monies expected to be required for the refurbishment of the Almshouses over and above the amounts in Designated and Restricted Reserves;
- d) Purchase investments which provide income that can indirectly make it possible to partially subsidise the weekly maintenance contributions charged to residents of the Almshouses; thus fulfilling one of its charitable objectives.

The Trustees keep the level of reserves under regular review to ensure that they are adequate and appropriate to meet the requirements of The Finchley Charities. The Trustees aim to maintain the free reserves at a level of 3-6 months of expenditure. The current level of free reserves meets this policy.

#### **Employees**

The Finchley Charities places great emphasis on the contribution of its Staff. The Trustees want to place on the record thanks and appreciation for their dedicated work through a very difficult year. Staff maintained good and safe links with residents, ensuring high morale throughout this pandemic year even when working from home.

During 2020, it employed the Chief Executive, an Office Manager, an interim Property Services Manager/consultant, Housing Services Manager, Central Services Administrator, five Sheltered Housing Officers, and one Housing Officer. A performance management framework is in place to ensure all staff and the Chief Executive are supported, provided with regular 1-2-1s and yearly appraisals together with performance delivery plans. The Chairman of The Finchley Charities carries out the yearly appraisals and 1-2-1s for the Chief Executive and reports their performance to the Board. The Finchley Charities is committed to training and development of all staff. The framework ensures staff at all levels have the opportunity to meet, raise and discuss issues with their Manager, the Chief Executive and ultimately the Trustees.

During 2020, the Trustees commissioned Altair to carry out an independent Remuneration Review to ensure we are in line with the market, continue to value and retain staff, be a good and preferred employer. The review included:

1. Recommendations for The Finchley Charities going forward.
2. The review of The Finchley Charities Remuneration Policy.
3. Market testing on staff salaries and benefits.
4. Development of a salary structure and banding in line with the market.
5. Sickness entitlement.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

#### **Equality and Diversity Policy**

The Trustees are committed to eliminating discrimination and promoting equal opportunities for all staff and residents.

#### **Trustees Liability Insurance**

As allowed by its mandate, the Trustees have taken out cover of £500,000 at an annual cost of £623.

#### **Activity in the Year**

2020 was an exceptional and challenging year due to the COVID-19 pandemic, but we continued to carry out the core services to a good level. Staff were equipped with the necessary tools to work remotely from home as well as working from the offices safely and effectively when able to do so.

During the year we experienced an unprecedented high number of voids equating to 11% of The Finchley Charities' housing stock. The Finchley Charities experienced a reduction in applicants wanting to move, and a reduction in the receipt of housing applications due to COVID-19. Despite this, staff worked extremely hard to turn voids around, carrying out the refurbishments necessary to re-let. Despite the challenges, by the 31 December 2020, 14 out of the 19 voids during 2020 were re-let and occupied. Out of the 5 voids remaining as at 31 December, 1 only became void on 25 December 2020 and 1 a redesign / full refurbishment.

The Trustees are pleased to report that despite the pandemic and challenges faced, there was 98% occupancy at 31 December 2020.

During this period there were 5 internal transfers – 4 on medical grounds and 1 down size. During this period it provided an opportunity to strengthen the processes of internal transfers.

To ensure The Finchley Charities continue to have high occupancy during 2021, a marketing campaign has been developed. Alongside this, a flexible process for assessing applicants during the lockdown period and restrictions was developed when unable to carry out face to face assessments to continue to house those in need.

The Finchley Charities work to a rolling five-year plan for repairs and major refurbishment which is designed to ensure that the accommodation provided meets with the Decent Homes Standards, (whereby housing should be above the statutory minimum standard be in a reasonable state of repair, provide modern facilities and services and a reasonable degree of thermal comfort).

#### **Investment Policy**

The overall objectives are to create sufficient income and capital growth to enable The Finchley Charities to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained. Both capital and income may be used at any time for the furtherance of The Finchley Charities' aims.

#### **Ethical Considerations**

The Trustees wish to preclude investment in tobacco and these are defined as companies with more than 20% of their turnover in this activity.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding particular investments which damage The Finchley Charities' reputation.

Trustees expect the Investment manager to have considered the suitability of investments of the same kind as any particular investment proposed to be made or retained.

#### **Principal Funding Sources**

Charges made to Residents for accommodation and Income and Profits from Investments.

#### **Appointments and Training of New Trustees.**

Three Trustees are nominated by the London Borough of Barnet and the Ex-Officio Trustee is the Rector of St Mary-at-Finchley Church Rev Philip Davison.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

Possible candidates for Co-opted Trusteeship are usually known and nominated by existing Trustees and appointed by the Trustees as a body. Following the Governance Review in 2020, Trustees made the decision to also advertise future vacancies to ensure the Trustees appoint new Trustees for their specific skills and knowledge following a skills gap analysis when a vacancy becomes available. The Chief Executive has the delegated responsibility for providing training.

#### **Key Decisions**

The Trustees make all Key Decisions including the ratification of decisions delegated to the Chairman or the Chairman of the Finance and IT sub-committee.

#### **Main Objectives for 2020**

The main objectives for 2020:

- To maintain the standard of sheltered housing by continuing the programme of planned maintenance and 'major works'.
- Working through a pandemic, ensuring core services and good governance continued, supporting staff and beneficiaries to stay safe.
- Ensuring our beneficiaries health and well-being was at the top of the agenda during the pandemic.
- Governance Review.
- Remuneration Review.
- Void property management due to the unprecedented number of voids during the year.
- Complete the IT Review and move to the 'cloud'.
- Develop The Finchley Charities, Vision, Mission and Values.
- Staff and Trustee Away Days

#### **Achievement and Performance Review**

The Finchley Charities continue to review its cost base and asset management, particularly with regard to financial efficiencies, value for money and standards for property refurbishments and maintenance, whilst mindful of keeping a good standard of accommodation expected for residents. This has continued despite the challenging year experienced carrying our repairs, maintenance and planned works when and where possible during the restrictions. The main achievements are:

12 Kitchen replacements

1 Bathroom replacement - we intend to carry out more bathroom replacements during 2021 and 2022.

22 Boiler replacements

136 Kitchen and bathroom extractor / ventilation installations improving ventilation to all properties

All staff worked hard during this pandemic, working flexibly during the lockdowns and restrictions in place to maintain core services despite the challenges.

In February 2020, following the IT review in 2019, we moved to a cloud based system which proved to be a huge success. The implementation was timely as it equipped all staff with the tools necessary to work remotely from home and The Finchley Charities' Offices.

During the past few years, The Finchley Charities' IT improvement programme included moving all the IT and telephone systems to the cloud and the upgrade to the community alarm systems in beneficiaries' homes. During the pandemic this enabled staff to carry out services to our beneficiaries remotely, keeping in touch with all beneficiaries to provide support, but available to respond in person if required. Sheltered Housing Officers maintained regular contact with all beneficiaries and identified those most at risk of isolation and increased their contact and support.

Sheltered Housing Officers offered additional support to access on line shopping, food parcels for the clinically vulnerable, support to make and attend medical appointments and other health needs as well as continuing to support beneficiaries with income maximisation, Housing Benefit and Universal Credit claims and Discretionary Housing Payments.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

Through networking opportunities, staff accessed nutritional free meals for those beneficiaries in hardship from local charities.

With the restrictions in place, staff looked at ways to continue to work with beneficiaries to reduce isolation and to keep focused. Regular informative newsletters continued which included competitions to engage our beneficiaries and to focus on a project. The competitions included poetry and art. Competitions included a Christmas card competition and The Finchley Charities' Christmas card 2020 was the art work from one of our beneficiaries. This was a huge success and our aim is to continue in 2021.

What became apparent during one of the competitions is The Finchley Charities have very talented beneficiaries! Due to the high level of entries and the high standard received, we were able to include all pieces of art and developed a calendar for 2021. All beneficiaries received one and those who entered received a gift.

Christmas was not a total wash out at The Finchley Charities and instead of having Christmas celebrations in the community halls, Christmas was delivered to the beneficiaries' home. Residents all received a card, gift, free raffle (prizes kindly donated from The Finchley Charities' contractors) and a meal for those that wanted one, all cooked and delivered by our staff.

Supporting and keeping beneficiaries focused and reducing social isolation was a key priority and an objective during 2020. The hard work by all staff, the management team and Trustees is reflected in the low levels of COVID-19 across all our sites. The restrictions put in place during the pandemic were not always well received but were necessary to ensure the safety of all staff and beneficiaries following government guidelines.

It is so important for our beneficiaries to socialise and be part of a community which assists in the reduction of social isolation, therefore a focus for 2021 is to develop outside heating and improve the seating areas to enable residents to socialise outside safely. This will be valuable for all, whether we continue to have restrictions in place or not during 2021.

Trustees are delighted to report that MNM who carried out the window, door and roof replacement programme during 2019 won a UK Housing Award in December 2020.

#### **Public Benefit**

The Finchley Charities provide accommodation for those beneficiaries of limited means who have lived within the boundaries of the London Borough of Barnet as set out in the scheme of 2011 registered with the Charities Commission.

Each year the Trustees review The Finchley Charities' objectives, to ensure they continue to reflect The Finchley Charities' aims. In carrying out this review, the Trustees have complied with the duty in section 17(s) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Donations and Grants**

The Finchley Charities made the following donations and grants during the year:

Local Church Donations	£11,500
Foodbanks	£7,500
Other	£2,550

The Finchley Charities awarded much needed grants to three foodbanks in the area of benefit. The decision to award grants rather than food parcels was determined by the pandemic so each food bank could purchase the items most in need.

A grant is defined as a financial award made by The Finchley Charities from its funds to support charitable activities, usually to registered charities, charitable community groups and individuals experiencing hardship.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

Trustees' grant making policy has no restrictions imposed on the purpose for which grants may be made, as long as the criteria outlined in the Charity Scheme are met. Trustees will award grants when they believe the grant will make a difference and will have an impact in the area of benefit. All applicants will be considered if the organisation or individual can demonstrate the following:

- Need and impact
- The organisation applying for a grant is a registered charity in the UK and operates in the area of benefit – the London Borough of Barnet
- An individual applying for a grant resides in the area of benefit and can demonstrate hardship.

Grants awarded will vary in amount.

All grants are considered at The Finchley Charities' Admissions, Grants and Welfare Committee on a quarterly basis then ratified by the Finance and IT sub-committee and the Trustees of The Finchley Charities, before grants are awarded in line with The Finchley Charities' charitable objectives.

During 2020, we continued to limit the number of grants provided due to the large amount of investment made into the major works programme, for the much needed work required to be undertaken to The Finchley Charities' assets and the loss of investments during a difficult and challenging year. We will continue to provide grants during 2021 which will be kept under review.

#### **Overall performance**

Performance indicators:

	<b>2020</b>	<b>2019</b>
Operating margin before revaluation gain on investments	17%	32%
Occupancy	98%	99%
Rent collected	99%	99%
Overheads as a percentage of maintenance contributions	70%	67%
Cost per unit	£6,707	£6,066
Working capital	£9,021	£(409,043)

The Finchley Charities' operating margin has fallen significantly following the poor performance on the investments and as the charity continues to invest in its properties whilst maintaining a 98% occupancy and rent collected remains consistent. The working capital has improved from the previous year but continues to be low due to the continued investment in our properties through our planned 'major works' programme.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

#### **Financial Review of the Year**

The surplus before revaluation gains on investments for the year was £284,315 (2019 - £505,525).

The results for the year excluding the increase or decrease in the value of Investments may be summarised as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Income from Housing	1,656,289	1,564,227
Direct costs	(292,210)	(293,956)
	<u>1,364,079</u>	<u>1,270,271</u>
Administration costs	(484,234)	(461,563)
Depreciation	(320,102)	(274,986)
Loss on replacement of components	(126,908)	(210,588)
Grant Amortisation	64,599	64,599
	<u>497,434</u>	<u>387,733</u>
Cyclical Maintenance Fund costs	(377,145)	(287,804)
	<u>120,289</u>	<u>99,929</u>
Housing activity surplus	120,289	99,929
Other income less donations paid	234,397	305,161
Operating Surplus	<u>354,686</u>	<u>405,090</u>
(Loss)/Profit on sale of investments	(70,371)	100,435
Surplus for the year before revaluation gains/(losses) on investments	<u>284,315</u>	<u>505,525</u>

The Finchley Charities complies with the Statement of Recommended Practice (SORP) for Registered Social Landlords in the presentation of its Financial Statements.

#### **Overview**

The Finchley Charities is aware of its status as a Charity and that it has always subsidised accommodation which The Finchley Charities offers. The Finchley Charities has endeavoured to principally use investment income to pay for essential extraordinary repairs and capital costs. The Finchley Charities reviews its investment performance on a regular basis with its Investment Managers throughout the year.

The surplus shown above continued to contribute to the reserves, which are therefore considered adequate to support The Finchley Charities' objectives in the future. The Statement of Financial Position shows a decrease in reserves to £16,064,777 at 31 December 2020 which are largely represented by the stock of housing accommodation. The free reserves (unrestricted reserves less fixed assets, deferred government grant and loans) at 31 December 2020 were £416,791.

The Finchley Charities continues to retain the services of professionally qualified staff who are keen to continue the development of The Finchley Charities' targets.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE TRUSTEES (continued)** **for the Year Ended 31 December 2020**

The Finchley Charities' auditors have confirmed that we have an adequate financial position. We have ambition to maintain and improve this position in order that we may be able to offer more grants to those organisations who offer assistance to those in need in Barnet.

It should be acknowledged that the Trustees are not remunerated for their often-considerable work, therefore, Trustees Liability Insurance is in place to protect them from personal liability as far as is possible.

#### **Future Plans**

The organisation strategy is further developed to plan longer term ambitions, to build further homes, reviewing and improving services, processes and governance. Plans are now well underway and will form part of the overall strategy which will be reviewed periodically.

The Finchley Charities' continued main focus will be the planned works programme, to ensure that accommodation is maintained at a good standard for our residents. During 2021 the programme will include a bathroom replacement programme, internal and external decoration and complete the boiler replacement programme. This will be addition to day-to-day repairs and maintenance, reactive and void work.

Following the health and safety review and the review of the fire risk assessments during 2019 and 2020, the Trustees decided to carry out a further full Fire Risk Assessment in November 2020. This is to ensure Fire Risk and Health and Safety measures are in place with good action plans for 2021.

The organisational focus on Health and Well-being for residents will continue, focusing on activities and events to promote good mental health, promote a good community, reduce social isolation and loneliness.

The key priorities that will be the focus for 2021 are:

- A focus on improving resident engagement and involvement;
- Continue to develop and improve the health and wellbeing offer;
- Digital inclusion for our beneficiaries;
- Review risk management processes;
- Fire Safety;
- Health & Safety;
- Continue to provide good governance embracing the new governance procedures;
- Develop an organisational development strategy;
- Take forward an Environmental Strategy implementing the Environment Policy already developed;
- The re-procurement of the repairs, maintenance, voids and planned works contract.

#### **Responsibilities of the Trustees**

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

The law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare The Finchley Charities' financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of The Finchley Charities and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 Finchley Charities will continue in business.

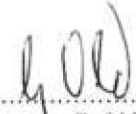
**THE FINCHLEY CHARITIES**

**REPORT OF THE TRUSTEES (continued)**  
**for the Year Ended 31 December 2020**

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain The Finchley Charities' transactions and disclose with reasonable accuracy at any time the financial position of The Finchley Charities and enable them to ensure that the financial statements comply with the Charities Act, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2019 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018 update). They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees:

  
.....  
Chairman – R. Chapman

  
.....  
Trustee – G. Old

17<sup>th</sup> May 2021

.....  
Date

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES**

**for the Year Ended 31 December 2020**

#### **Opinion**

We have audited the financial statements of The Finchley Charities (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 Finchley Charities' affairs as at 31 December 2020 and of its incoming resources and application of resources 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 Charities Act 2011, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 director'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 charity'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 directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

## **THE FINCHLEY CHARITIES**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)** **for the Year Ended 31 December 2020**

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

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

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities set out on page ten, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Finchley Charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to assist in the detection of material misstatements in respect of irregularities, including fraud.

Our approach to assessing the risks of such material misstatements was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those covered by the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, the Statement of Recommended Practice for Charities (SORP 2019) and the Charities Act 2011. We assessed the risk of material misstatement in respect of fraud by making enquiries of management and trustees and by testing the implementation of accounting controls in place.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above by making enquiries with key personnel and reviewing relevant documentation such as minutes of Trustee meetings and correspondence with regulatory bodies. We considered the risk of fraud through management override by incorporation testing of journal entries and reviewing any requirements to meet performance targets. We also considered, and tested for, the possibility of unauthorised payments to related parties.

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 Report of the Independent Auditors.

**THE FINCHLEY CHARITIES**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FINCHLEY CHARITIES (continued)**  
**for the Year Ended 31 December 2020**

**Use of our report**

This report is made solely to The Finchley Charities' Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Finchley Charities and The Finchley Charities' Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Maurice William Brindley BSc FCA (Senior Statutory Auditor)  
for and on behalf of Brindley Millen Ltd  
Chartered Accountants and Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
167 Turners Hill  
Cheshunt  
Hertfordshire  
EN8 9BH

Date: .....14/6/2021.....

**THE FINCHLEY CHARITIES**

**STATEMENT OF COMPREHENSIVE INCOME**

**for the Year Ended 31 December 2020**

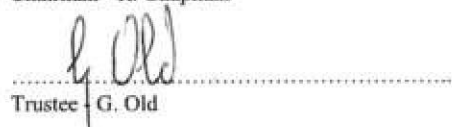
		Unrestricted funds	Designated funds	Restricted funds	2020 Total	2019 Total
	Note	£	£	£	£	£
<b>INCOME FROM HOUSING</b>						
Social housing lettings	2	1,720,888	-	-	1,720,888	1,628,826
Operating expenditure	2	(1,600,599)	-	-	(1,600,599)	(1,528,897)
<b>HOUSING ACTIVITY SURPLUS</b>	3	<u>120,289</u>	<u>-</u>	<u>-</u>	<u>120,289</u>	<u>99,929</u>
(Loss)/Profit on sale of investments		(70,371)	-	-	(70,371)	100,435
Investment property income		86,136	-	11,660	97,796	90,573
Interest receivable and similar income	4	189,447	-	-	189,447	265,361
Interest payable		(31,356)	-	-	(31,356)	(39,108)
Donations received		60	-	-	60	550
Other expenditure		-	-	-	-	(241)
Donations payable		(21,550)	-	-	(21,550)	(11,974)
		<u>152,366</u>	<u>-</u>	<u>11,660</u>	<u>164,026</u>	<u>405,596</u>
<b>Surplus before revaluation gain on investments and transfers</b>		<b>272,655</b>	<b>-</b>	<b>11,660</b>	<b>284,315</b>	<b>505,525</b>
Net revaluation (loss)/gain on investments	12	(475,772)	-	-	(475,772)	746,578
Transfers between reserves	12	(428)	-	428	-	-
<b>(Deficit)/Surplus for the year before revaluation of fixed assets</b>		<b>(203,545)</b>	<b>-</b>	<b>12,088</b>	<b>(191,457)</b>	<b>1,252,103</b>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(203,545)</b>	<b>-</b>	<b>12,088</b>	<b>(191,457)</b>	<b>1,252,103</b>
<b>Reserves brought forward</b>		<u>12,701,590</u>	<u>3,394,941</u>	<u>159,703</u>	<u>16,256,234</u>	<u>15,004,131</u>
<b>Reserves carried forward</b>		<u><b>12,498,045</b></u>	<u><b>3,394,941</b></u>	<u><b>171,791</b></u>	<u><b>16,064,777</b></u>	<u><b>16,256,234</b></u>

The Finchley Charities has no other recognised gains or losses other than the results for the period as set out above. All the activities of The Finchley Charities are continuing.

Approved and authorised for issue by the Trustees on 17th May 2021



Chairman - R. Chapman



Trustee - G. Old

The notes on pages 18 to 27 form part of these financial statements.

**THE FINCHLEY CHARITIES****STATEMENT OF FINANCIAL POSITION****As at 31 December 2020**

		2020		2019	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Housing Properties	7a		12,248,399		12,439,517
Fuel Land Allotments	7b		450,000		450,000
Office equipment	7a		10,196		10,097
			<u>12,708,595</u>		<u>12,899,614</u>
Investment Properties	7c		450,000		450,000
Investments - Shares	8a	5,954,825		6,438,898	
- Cash	8b	<u>285,879</u>		<u>333,479</u>	
			6,240,704		6,772,377
			<u>19,399,299</u>		<u>20,121,991</u>
<b>CURRENT ASSETS</b>					
Debtors	9	46,021		39,099	
Cash at bank and in hand		<u>395,355</u>		<u>155,769</u>	
		441,376		194,868	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(545,872)</u>		<u>(716,055)</u>	
<b>NET CURRENT(LIABILITIES)</b>			(104,496)		(521,187)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>19,294,803</u>		<u>19,600,804</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	10		(3,230,026)		(3,344,570)
<b>NET ASSETS</b>			<u>16,064,777</u>		<u>16,256,234</u>
<b>RESERVES</b> 12/13					
Revenue - unrestricted			9,546,789		9,274,562
Property revaluation reserve			1,621,632		1,621,632
Investment revaluation reserve			<u>1,329,624</u>		<u>1,805,396</u>
			12,498,045		12,701,590
Designated			3,394,941		3,394,941
Restricted			<u>171,791</u>		<u>159,703</u>
			<u>16,064,777</u>		<u>16,256,234</u>

Approved and authorised for issue by the Trustees on 17th May 2021



Chairman - R. Chapman



Trustee - G. Old

The notes on pages 18 to 27 form part of these financial statements.

**THE FINCHLEY CHARITIES**

**STATEMENT OF CASH FLOWS**

**As at 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net cash from operating activities	467,549	465,965
<b>Cash flows from financing activities:</b>		
Mortgage capital movement	(48,572)	(44,918)
Interest paid on mortgage	(31,356)	(39,108)
Net cash flow from financing activities	(79,928)	(84,026)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(400,733)	(1,110,322)
Purchase of other PPE	(6,099)	-
GLA - housing grant received	-	-
Purchase of investments (shares)	(1,098,852)	(293,601)
Proceeds from disposal of investments (shares)	1,062,894	540,361
Investment property income	84,087	104,282
Investment income	163,068	231,002
Interest received	-	-
Net cash flow used in investing activities	(195,635)	(528,278)
Net increase/(decrease) in cash and cash equivalents in the reporting period	191,986	(146,339)
Cash and cash equivalents at beginning of the reporting period	489,248	635,587
Cash and cash equivalents at end of the reporting period (Note 15)	<b>681,234</b>	<b>489,248</b>

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

Net income before revaluation gains on investments	284,315	505,525
<b>Adjustments for:</b>		
Depreciation charges	320,102	274,986
Loss on disposal of fixed assets	126,908	210,588
Amortisation of Grant	(64,599)	(64,599)
Bad debt provision	-	5,000
Investment property income received	(97,796)	(90,573)
Interest payable	31,356	39,108
Investment income received	(188,337)	(261,824)
Interest received	-	-
Loss/(Profit) on sale of investment (shares)	70,371	(100,435)
(Increase) in debtors (less accrued investment income)	(7,765)	(565)
Decrease in creditors (less mortgage, deferred government grants and capital creditors)	(7,006)	(51,246)
Net cash provided from operating activities	<b>467,549</b>	<b>465,965</b>

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the Year Ended 31 December 2020**

#### **1. PRINCIPAL ACCOUNTING POLICIES**

##### **Legal Status**

The Finchley Charities is a registered charity (Registered Number 206621) and is registered with the Regulator of Social Housing (formerly Homes and Communities Agency) as a Private Registered Provider of Social Housing (Registered Number A0185) and the Almshouse Association (Registered Number 91). The registered office is 41a Wilmot Close, East Finchley, London N2 8HP.

##### **Accounting Convention**

The financial statements have been prepared in accordance with applicable accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice for registered social housing providers (SORP 2018 update). The principal activity of The Finchley Charities is to provide relief of poverty in the London Borough of Barnet. In accordance with FRS 102 (3.3 A), the charity is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The accounts are prepared on the historical cost basis of accounting except for investment properties and investments which are included at fair value and are presented in sterling (£).

The accounts have been prepared on the basis that it will continue as a going concern. There are sufficient reserves to enable The Finchley Charities to continue to achieve its objectives for the foreseeable future.

A summary of significant accounting policies is set out below.

##### **Income**

Income from Housing represents income receivable from accommodation net of any voids, amortised capital grants from Local Authorities, The Housing Corporation and the GLA and charitable donations measured at value of the consideration received or receivable.

##### **Fixed Assets, Housing Properties and Component Accounting**

Housing Properties held to provide a social benefit are stated at cost less accumulated depreciation and impairment losses. The Finchley Charities calculates depreciation by implementing component accounting. Estimated figures have been used where due to the elapse of time or the disproportionate cost of ascertaining the figures, it has not been possible to get actual information. This means that depreciation is charged based on the estimated useful life of each component within the housing properties as follows:

Structure	100 years
Roofs	60 years
Windows and Doors	30 years
Lifts	30 years
Plumbing	30 years
Electrics	30 years
Bathrooms	20 years and 30 years
Kitchens	20 years
Heating	20 years
Careline & safety systems	20 years
External structures	20 years
Office	20 years
Communal Hall	10 years

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the Year Ended 31 December 2020**

#### **Fixed Assets, Housing Properties and Component Accounting (cont'd)**

Housing stock under construction, together with interest on mortgage are capitalised but not depreciated until the property is occupied. Interest is capitalised in fixed asset housing properties up to the date of completion of capital works on each scheme. The interest is either on borrowings specifically financing a scheme or on net borrowings to the extent that they are deemed to be financing a scheme.

Office equipment is depreciated at the rate of 25% on cost per annum.

#### **Social Housing Grant**

Government grants include grants receivable from the Homes & Communities Agency (HCA), local authorities, and other government organisations. Government grants received for housing properties are treated as deferred income and recognised in income from housing over the estimated useful life of the housing property components, under the accrual model.

Grants due from government organisations or received in advance are included as current liabilities.

#### **Impairment**

At each Statement of Financial Position date, housing schemes are assessed to determine if there are indicators that the scheme may be impaired in value; if there are such indicators of impairment, then a comparison of the scheme's carrying value compared to its recoverable amount, is undertaken. Any excess over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Comprehensive Income; the carrying value is reduced appropriately.

#### **Investments**

Investments are measured initially at cost and subsequently at fair value (their market value) valued at market value at the Statement of Financial Position date. The Statement of Comprehensive Income includes the net gains and losses arising on revaluations and disposals throughout the year.

Investment properties are included in the Statement of Financial Position at fair value. The last revaluation was July 2018 carried out by Lambert Chartered Surveyors. Revaluation surpluses and deficits are recognised as part of the Statement of Comprehensive Income.

#### **Fuel Land Allotments**

This property came under the jurisdiction of The Finchley Charities in 1892 and laid out 113 allotments. The income from the holders was used to buy coal for poor people and pensioners. It later was used for fuel vouchers for Finchley Old People's Welfare. It is now incorporated in the latest scheme of 2011 to be rented out to allotments holders who fall in the area of benefit. The property has been treated as a permanent endowment of The Finchley Charities. It has been revalued by Lambert Chartered Surveyors in July 2018.

#### **Pension costs**

The Finchley Charities contributes to an industrial scheme for employees (defined contribution scheme). The assets of the scheme are held separately from those of The Finchley Charities. The annual contributions payable are charged to the Statement of Comprehensive Income. The Finchley Charities has no potential liability other than for the payment of those contributions.

#### **Debtors**

Debtors are amounts owed to The Finchley Charities and are included at their recoverable amount. Debtors also include prepayments where payment has been made in advance of receipt of the goods or services.

#### **Cash at Bank and in hand**

Cash at Bank and in hand is held to meet short term cost commitments as they fall due, and includes all cash equivalents held in the liquid investments.

## **THE FINCHLEY CHARITIES**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the Year Ended 31 December 2020**

#### **Creditors**

A liability is an amount due to a creditor and is recognised as the amount The Finchley Charities anticipates it will pay to settle the debt. Creditors also include amounts received in advance for goods and services it must provide.

#### **Financial Instruments**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when The Finchley Charities becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that The Finchley Charities will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Finchley Charities' cash management.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

#### **Cyclical Maintenance Fund**

The Finchley Charities charges actual costs incurred to the Statement of Comprehensive Income. However it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted cost of work in the following year, adjusted for one off expenditure.

#### **Extraordinary Repair Fund**

The Finchley Charities charges actual costs to the Statement of Comprehensive Income. However it aims to keep a balance in the Designated Reserve approximately equal to five times the budgeted costs of work in the following year, adjusted for one off expenditure

#### **Restricted Reserves**

When additional works on the Almshouses was undertaken in the 1970's the Charity Commission required £428 per annum to be invested annually from 1976 to 2036 and it is accumulated with its attached investments so as to replace the capital.

#### **Taxation**

The Finchley Charities is registered with the Tenant Services Authority and has charitable status. It is therefore exempt from liability to taxation on its charitable income and capital gains.

#### **Value Added Tax**

The Finchley Charities is not registered for value added tax. In these financial statements, where applicable income and expenditure is shown inclusive of VAT.

**THE FINCHLEY CHARITIES****NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 December 2020****2. PARTICULARS OF INCOME AND EXPENDITURE FROM HOUSING ACCOMMODATION**

	<b>2020</b>	<b>2019</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Income from housing</b>		
Maintenance charges - Housing for older people	1,693,493	1,579,847
Less: Losses from voids	(36,197)	(15,348)
Less: Repayment to residents	(1,007)	(272)
Amortised government grant	64,599	64,599
<b>Total income from housing</b>	<u>1,720,888</u>	<u>1,628,826</u>
<b>Expenditure on housing activities</b>		
Services	74,226	73,902
Management	121,849	122,641
Routine maintenance	96,135	97,413
Cyclical Maintenance Fund	377,145	287,804
Housing properties depreciation	314,102	267,447
Loss on disposal of components	126,908	210,588
Bad debts & provision	-	6,471
Other costs	490,234	462,631
<b>Total expenditure on housing</b>	<u>1,600,599</u>	<u>1,528,897</u>
<b>Operating surplus on housing activities</b>	<u>120,289</u>	<u>99,929</u>
<b>Number of units</b>	<b>No</b>	<b>No</b>
At 1 January	172	172
At 31 December (all managed and owned)	<u>172</u>	<u>172</u>

**3. HOUSING ACTIVITY SURPLUS**

The operating surplus is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation	320,102	274,986
Loss on disposal of components	126,908	210,588
Grant amortisation	(64,599)	(64,599)
Auditors remuneration - as auditors	5,936	5,546

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Investment income	188,337	261,824
Interest from cash deposits	-	-
Other income	1,110	3,537
	<u>189,447</u>	<u>265,361</u>

Investment income includes £25,960 accumulated dividends (2019: £31,211) and accrued interest of £1,780 (2019: £2,623).

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 December 2020**

**5. STAFF**

The average number of staff employed by the Trust during the financial year was:

	<b>2020</b>	<b>2019</b>
	No.	No.
Administrative	6	4
Sheltered Housing Officers	5	6
	<u>11</u>	<u>10</u>
	<b>2020</b>	<b>2019</b>
	£	£
Wages & salaries	333,785	331,909
Social security costs	24,299	23,443
Pension costs	10,949	11,184
	<u>369,033</u>	<u>366,536</u>

The key management personnel (excluding the Trustees) is the Chief Executive whose remuneration for 2020 was £67,738 including £6,043 employer's pension contributions (2019: £64,593 including £5,872 employer's pension contribution). The Chief Executive is an ordinary member of the defined contribution pension scheme with pension arrangements which are similar to those of other staff.

No other employee earned in excess of £60,000 (2019: none).

**6. TRANSACTIONS WITH TRUSTEES**

None of the Trustees received any emoluments for their services. Expenses for travel and telecommunication totalling £44 were reimbursed to 2 trustees during the year (2019: £nil).

Many of the Trustees are involved with Churches and other charities in the area, some of whom received financial help through the Relief in Need programme.

When considering making donations, Trustees with any interest declare that interest and abstain from these decisions. These actions are recorded in the minutes of Trustees meetings.

Other than the above none of the Trustees have any interest in any contracts with The Finchley Charities.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 December 2020**

**7. FIXED ASSETS**

<b>a) Tangible fixed assets</b>	<b>Freehold Housing Properties</b>	<b>Housing Property Under Construction</b>	<b>Office Equipment</b>	<b>Total 2020</b>
	£	£	£	£
<b>COST / VALUATION</b>				
At 1 January 2020	14,540,786	-	46,301	14,587,087
Additions	249,892	-	6,099	255,991
Disposals	(257,900)	-	(16,144)	(274,044)
Transfer	-	-	-	-
At 31 December 2020	<u>14,532,778</u>	<u>-</u>	<u>36,256</u>	<u>14,569,034</u>
<b>DEPRECIATION</b>				
At 1 January 2020	2,101,269	-	36,204	2,137,473
Charge for period	314,102	-	6,000	320,102
Disposals	(130,992)	-	(16,144)	(147,136)
At 31 December 2020	<u>2,284,379</u>	<u>-</u>	<u>26,060</u>	<u>2,310,439</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>12,248,399</u>	<u>-</u>	<u>10,196</u>	<u>12,258,595</u>
At 31 December 2019	<u>12,439,517</u>	<u>-</u>	<u>10,097</u>	<u>12,449,614</u>

Additions in the year include component additions of £393,015 (after adjustment to retention of £143,123) of which £281,704 was included in creditors (2019: £432,545 included in creditors).

**b) Fuel Land Allotments**

This property is a permanent endowment of the Charity and is shown as a fixed asset with no known original cost. There is income from the allotments amounting to £11,660 (2019: £11,105) which is used towards the donations made under the Relief in Need objective. The property is included in the Statement of Financial Position at valuation of £450,000 (2019: £450,000).

**c) Investments - Property**

<b>Property</b>	<b>Valuation 2020</b>	<b>2019</b>	<b>Tenant</b>	<b>Current Annual Rent</b>	<b>Current Insurance Premiums</b>
	£	£		£	£
Advertising Hoardings, 250 - 274 High Road	50,000	50,000	J C Decaux Ltd	5,000	*
The Ann Owens Centre, Tarling Road	400,000	400,000	Age UK Barnet	25,761	1,640
	<u>450,000</u>	<u>450,000</u>		<u>30,761</u>	<u>1,640</u>

\*Arranged by Tenants

The above property valuations were carried out by professional external valuers, Lamberts Chartered Surveyors.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 December 2020**

**8a. INVESTMENTS - SHARES**

	£
Balance at 1 January 2020	6,438,898
Additions (including £26,112 accumulated dividends)	1,124,964
Disposals	(1,133,265)
Net unrealised loss on revaluation	(475,772)
Balance at 31 December 2020	<u>5,954,825</u>

	Cost		Market value	
	2020	2019	2020	2019
	£	£	£	£
Funds managed by:				
Investec Wealth & Investment - Investments	2,688,561	2,722,974	3,464,596	3,598,818
- M&G	1,825,621	1,809,291	1,847,437	2,213,829
COIF	16,588	16,588	347,496	319,265
M&G Charity Multi Asset Fund (previously NAACIF)	141,059	131,430	295,296	306,986
	<u>4,671,829</u>	<u>4,680,283</u>	<u>5,954,825</u>	<u>6,438,898</u>
<b>8b. Investment - Cash</b>			<u>285,879</u>	<u>333,479</u>

**9. DEBTORS: Due within one year**

	2020	2019
	£	£
Rent arrears	19,689	15,187
Less: bad debt provision	(5,000)	(5,000)
	<u>14,689</u>	<u>10,187</u>
Prepayments and Other debtors	31,332	28,912
	<u>46,021</u>	<u>39,099</u>

**10. CREDITORS: Amounts falling due within one year**

	2020	2019
	£	£
Creditors	172,241	166,120
PAYE/NI	8,660	6,225
Other creditors	251,454	431,566
Deferred government grant (Note 11)	64,599	64,599
Mortgage	48,918	47,545
	<u>545,872</u>	<u>716,055</u>

**CREDITORS: Amounts falling due after one year**

	2020	2019
	£	£
Deferred government grant (Note 11)	2,003,342	2,067,941
Mortgage 2-5 years	209,064	257,981
More than 5 years	1,017,620	1,018,648
	<u>3,230,026</u>	<u>3,344,570</u>

The mortgage is payable in monthly instalments over 25 years. The annual interest rate is 2.25% and the mortgage of £1,500,000 is secured on the new property.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the Year Ended 31 December 2020**

<b>11. DEFERRED GOVERNMENT GRANT</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£
At 1 January 2020	2,132,540	2,197,139
Amortisation of grant for the year	(64,599)	(64,599)
At 31 December 2020	<u>2,067,941</u>	<u>2,132,540</u>
Due within one year	<u>64,599</u>	<u>64,599</u>
Due after one year	<u>2,003,342</u>	<u>2,067,941</u>

The Finchley Charities received government grants totalling £4,234,238 over the years of which £2,166,297 has been released to the Statement of Comprehensive Income to date.

**12. RESERVES**

**UNRESTRICTED FUNDS**

	<b>Investments Revaluation</b>	<b>Property Revaluation</b>	<b>Revenue Fund</b>	<b>Total 2020</b>	<b>Total 2019</b>
	£	£	£	£	£
At 31 December 2018	1,058,818	1,621,632	8,780,329	11,460,779	11,228,282
<b>Year ended 31 December 2019:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	430,062	430,062	399,035
Amortisation of grant - current year	-	-	64,599	64,599	59,932
Transfers between reserves	-	-	(428)	(428)	(428)
Revaluation	746,578	-	-	746,578	(226,042)
At 31 December 2019	<u>1,805,396</u>	<u>1,621,632</u>	<u>9,274,562</u>	<u>12,701,590</u>	<u>11,460,779</u>
<b>Year ended 31 December 2020:</b>					
Surplus for the year before grant amortisation and revaluations	-	-	208,056	208,056	430,062
Amortisation of grant - current year	-	-	64,599	64,599	64,599
Transfers between reserves	-	-	(428)	(428)	(428)
Revaluation	(475,772)	-	-	(475,772)	746,578
At 31 December 2020	<u>1,329,624</u>	<u>1,621,632</u>	<u>9,546,789</u>	<u>12,498,045</u>	<u>12,701,590</u>

**DESIGNATED FUNDS**

	<b>Component Accounting Fund</b>	<b>Cyclical Maintenance Fund</b>	<b>Extraordinary Repair Fund</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£	£	£	£	£
At 31 December 2018	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,394,941</u>	<u>3,394,941</u>
At 31 December 2019	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,394,941</u>	<u>3,394,941</u>
At 31 December 2020	<u>1,594,941</u>	<u>700,000</u>	<u>1,100,000</u>	<u>3,394,941</u>	<u>3,394,941</u>

The Component Accounting Fund was created to comply with the change to Housing Regulations in 2011.

The Cyclical Maintenance Fund provides a fund for routine repairs, should income from the housing stock be insufficient to meet these costs.

The Extraordinary Repair Fund provides a fund for major repairs, should annual income be insufficient to meet these costs.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 December 2020**

**12 RESERVES (continued)**

<b>RESTRICTED</b>	<b>Residents' Donations</b>	<b>Reserve for recoupment of Capital expenditure</b>	<b>2020 Total</b>	<b>2019 Total</b>
	£	£	£	£
At 31 December 2018	1,189	147,222	148,411	136,916
<b>Year ended 31 December 2019:</b>				
Income		11,105	11,105	11,067
Expenditure	(241)	-	(241)	-
Transfers between reserves	-	428	428	428
At 31 December 2019	948	158,755	159,703	148,411
<b>Year ended 31 December 2020:</b>				
Income	-	11,660	11,660	11,105
Expenditure		-	-	(241)
Transfers between reserves	-	428	428	428
At 31 December 2020	948	170,843	171,791	159,703

**13. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Property revaluation reserve</b>	<b>Investment revaluation reserve</b>	<b>Total funds 2020</b>	<b>Total funds 2019</b>
	£	£	£	£	£	£	£
<b>Fixed assets:</b>							
Housing properties	12,248,399	-	-	-	-	12,248,399	12,439,517
Office Equipment	10,196	-	-	-	-	10,196	10,097
Fuel Land Allotments	-	-	38,368	411,632	-	450,000	450,000
Investments	350,114	3,394,941	120,146	760,000	1,329,624	5,954,825	6,438,898
Investment properties	-	-	-	450,000	-	450,000	450,000
Investments-Cash	285,879	-	-	-	-	285,879	333,479
<b>Current assets:</b>							
Debtors	46,021	-	-	-	-	46,021	39,099
Cash at bank	382,078	-	13,277	-	-	395,355	155,769
<b>Current liabilities:</b>							
Creditors	(545,872)	-	-	-	-	(545,872)	(716,055)
Long Term Liabilities	(3,230,026)	-	-	-	-	#REF!	(3,344,570)
	9,546,789	3,394,941	171,791	1,621,632	1,329,624	#REF!	16,256,234

**14. PAYMENTS TO CREDITORS**

The Finchley Charities endeavours to settle suppliers' accounts within 30 days of receipt of invoices.

**THE FINCHLEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the Year Ended 31 December 2020**

**15. ANALYSIS OF CHANGES IN NET DEBT**

	At 01 Jan 2020	Cash flows	Other non- cash changes	At 31 Dec 2020
	£	£	£	£
<b>Cash and cash equivalent</b>				
Cash at bank & in hand	155,769	239,586	-	395,355
Investment cash	333,479	(47,600)	-	285,879
	<b>489,248</b>	<b>191,986</b>		<b>681,234</b>
<b>Borrowings</b>				
Debt due within one year	(47,545)	48,572	(49,945)	(48,918)
Debt due after one year	(1,276,629)	-	49,945	(1,226,684)
	<b>(1,324,174)</b>	<b>48,572</b>	<b>-</b>	<b>(1,275,602)</b>
<b>Total</b>	<b>(834,926)</b>	<b>240,558</b>	<b>-</b>	<b>(594,368)</b>

**16. STATEMENT OF COMPREHENSIVE INCOME FOR THE COMPARATIVE PERIOD**

	Unrestricted funds	Designated funds	Restricted funds	2019 Total
	£	£	£	£
<b>INCOME FROM HOUSING</b>				
Social Housing lettings	1,628,826	-	-	1,628,826
Operating expenditure	(1,528,897)	-	-	(1,528,897)
<b>HOUSING ACTIVITY SURPLUS</b>	<b>99,929</b>	<b>-</b>	<b>-</b>	<b>99,929</b>
Profit/(loss) on sale of investments	100,435	-	-	100,435
Investment property income	79,468	-	11,105	90,573
Interest receivable and similar income	265,361	-	-	265,361
Interest payable	(39,108)	-	-	(39,108)
Donations received	550	-	-	550
Other expenditure	-	-	(241)	(241)
Donations payable	(11,974)	-	-	(11,974)
	<b>394,732</b>	<b>-</b>	<b>10,864</b>	<b>405,596</b>
<b>Surplus before revaluation gain on investments and transfers</b>	<b>494,661</b>	<b>-</b>	<b>10,864</b>	<b>505,525</b>
Revaluation gains on investments	746,578	-	-	746,578
Transfers between funds	(428)	-	428	-
<b>SURPLUS FOR THE YEAR</b>	<b>1,240,811</b>	<b>-</b>	<b>11,292</b>	<b>1,252,103</b>
<b>Reserves brought forward</b>	<b>11,460,779</b>	<b>3,394,941</b>	<b>148,411</b>	<b>15,004,131</b>
<b>Reserves carried forward</b>	<b>12,701,590</b>	<b>3,394,941</b>	<b>159,703</b>	<b>16,256,234</b>

**17. CHARITY SCHEME**

The Charity Scheme provides that the Finchley Charities will make annual grants to local Church charities, providing it has the necessary financial resources. In 2020 grants to local Churches amounted to £11,500 (2019 £11,500).

**18. CAPITAL COMMITMENT**

At the year end there is a commitment totalling £80,838 for boiler replacements at Homefield Gardens.