

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

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THE FINCHLEY CHARITIES

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for the 15 Months Ended 31 March 2022

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THE FINCHLEY CHARITIES

REGISTRATION	By the Almshouse Association (Number 91) By the Charity Commission (Number 206621) By the Regulator of Social Housing (formerly HCA) (Number A0185)	
PRINCIPAL OFFICE	41a Wilmot Close East Finchley London N2 8HP	
CHARITY WEBSITE	www.thefinchleycharities.org	
TRUSTEES	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	
FULL TIME CHIEF EXECUTIVE:	Mrs S Faridi xMPA, Cert.ICSA	
MANAGERS	Office Manager: Ms Sandra De Souza Property Services Manager: John Everett (Interim) Housing Services Manager: Ms Claire Young	
ACCOUNTANTS/ AUDITORS	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
BANKERS	Barclays Bank plc 1250 High Road London N20 0PB	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
INVESTMENT MANAGERS	Investec Wealth & Investment Limited 30 Gresham Street London EC2V 7QN	
SOLICITORS	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.

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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.

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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 out 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.

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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 1st Jan 2021 – 31st 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;

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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.

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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.

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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

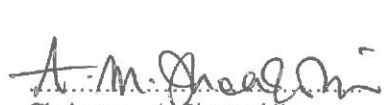
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

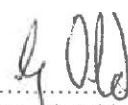
The law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare The Finchley Charities' financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting 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:

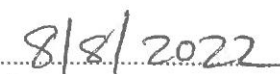
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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

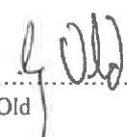
STATEMENT OF COMPREHENSIVE INCOME for the 15 Months Ended 31 March 2022

		Unrestricted funds	Designated funds	Restricted funds	15 months to 31 March 2022 Total	12 months to 31 Dec 2020 Total
	Note	£	£	£	£	£
INCOME FROM HOUSING						
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)
HOUSING ACTIVITY SURPLUS	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
Surplus before revaluation gain on investments and transfers		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	-	-
Surplus/(Deficit) for the period before revaluation of fixed assets		430,108	468,429	16,385	914,922	(191,457)
		-	-	-	-	-
SURPLUS/(DEFICIT) FOR THE PERIOD		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. Ghassuddin


Trustee - G. Old

The notes on pages 19 to 28 form part of these financial statements.

THE FINCHLEY CHARITIES


STATEMENT OF FINANCIAL POSITION

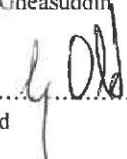
As at 31 March 2022

		31 March 2022		31 December 2020	
	Note	£	£	£	£
FIXED ASSETS					
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>
CURRENT ASSETS					
Debtors	9	74,532		46,021	
Cash at bank and in hand		<u>134,383</u>		<u>395,355</u>	
		208,915		441,376	
CREDITORS: Amounts falling due within one year	10	<u>(367,019)</u>		<u>(545,872)</u>	
NET CURRENT(LIABILITIES)			(158,104)		(104,496)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20,063,806</u>		<u>19,294,803</u>
CREDITORS: Amounts falling due after more than one year	10		(3,084,107)		(3,230,026)
NET ASSETS			<u>16,979,699</u>		<u>16,064,777</u>
RESERVES	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

	2022	2020
	£	£
Net cash from operating activities	466,176	467,549
Cash flows from financing activities:		
Mortgage capital movement	(63,529)	(48,572)
Interest paid on mortgage	(35,798)	(31,356)
Net cash flow from financing activities	(99,327)	(79,928)
Cash flows from investing activities		
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	-	-
Net cash flow used in investing activities	(253,626)	(195,635)
Net increase/(decrease) in cash and cash equivalents in the reporting period	113,223	191,986
Cash and cash equivalents at beginning of the reporting period	681,234	489,248
Cash and cash equivalents at end of the reporting period (Note 15)	794,457	681,234
<u>RECONCILIATION OF NET INCOME/(EXPENDITURE)</u>		
<u>TO NET CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net income before revaluation gains on investments	487,193	284,315
Adjustments for:		
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)
Net cash provided from operating activities	466,176	467,549

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**

	2022	2020
	Total	Total
	£	£
Income from housing		
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
Total income from housing	2,106,360	1,720,888
Expenditure on housing activities		
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
Total expenditure on housing	2,043,125	1,600,599
Operating surplus on housing activities	63,235	120,289
Number of units	No	No
At 1 January 2021	172	172
At 31 March 2022 (all managed and owned)	172	172

3. HOUSING ACTIVITY SURPLUS

The operating surplus is stated after charging:

	2022	2020
	£	£
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

	2022	2020
	£	£
Investment income	239,549	188,337
Interest from cash deposits	-	-
Other income	1,685	1,110
	241,234	189,447

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:

	2022	2020
	No.	No.
Administrative	5	6
Sheltered Housing Officers	5	5
	<u>10</u>	<u>11</u>
	2022	2020
	£	£
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 £
COST / VALUATION				
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	14,943,211	-	30,647	14,973,858
DEPRECIATION				
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	2,637,485	-	21,738	2,659,223
NET BOOK VALUE				
At 31 March 2022	12,305,726	-	8,909	12,314,635
At 31 December 2020	12,248,399	-	10,196	12,258,595

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
	450,000	450,000		31,371	1,663

*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>
8b. Investment - Cash			<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

	Total 2022 £	Total 2020 £
At 1 January 2021	2,067,941	2,132,540
Amortisation of grant for the year	(80,749)	(64,599)
At 31 March 2022	1,987,192	2,067,941
Due within one year	64,599	64,599
Due after one year	1,922,593	2,003,342

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

	Investments Revaluation £	Property Revaluation £	Revenue Fund £	Total 2022 £	Total 2020 £
At 31 December 2019	1,805,396	1,621,632	9,274,562	12,701,590	11,460,779
Year ended 31 December 2020:					
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	1,329,624	1,621,632	9,546,789	12,498,045	12,701,590
Period ended 31 March 2022:					
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	1,757,353	1,621,632	9,549,168	12,928,153	12,498,045

DESIGNATED FUNDS

	Community, Health & Wellbeing Fund £	Development Fund £	Component Accounting Fund £	Cyclical Maintenance Fund £	Extraordinary Repair Fund £	2022 Total £	2020 Total £
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	48,429	420,000	1,594,941	700,000	1,100,000	3,863,370	3,394,941

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.

RESTRICTED	Residents' Donations £	Reserve for recoupment of Capital expenditure £	2022 Total £	2020 Total £
At 31 December 2019	948	158,755	159,703	148,411
Year ended 31 December 2020:				
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
Period ended 31 March 2022:				
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

	Unrestricted funds £	Designated funds £	Restricted funds £	Property revaluation reserve £	Investment revaluation reserve £	Total funds 2022 £	Total funds 2020 £
Fixed assets:							
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
Current assets:							
Debtors	74,532	-	-	-	-	74,532	46,021
Cash at bank	56,292	48,429	29,662	-	-	134,383	395,355
Current liabilities:							
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
	£	£	£	£
Cash and cash equivalent				
Cash at bank & in hand	395,355	(260,972)	-	134,383
Investment cash	285,879	374,195	-	660,074
	681,234	113,223		794,457
Borrowings				
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)
	(1,275,602)	63,529	-	(1,212,073)
Total	(594,368)	176,752	-	(417,616)

16. STATEMENT OF COMPREHENSIVE INCOME FOR THE COMPARATIVE PERIOD

	Unrestricted funds	Designated funds	Restricted funds	2020	Total
	£	£	£		£
INCOME FROM HOUSING					
Social Housing lettings	1,720,888	-	-		1,720,888
Operating expenditure	(1,600,599)	-	-		(1,600,599)
HOUSING ACTIVITY SURPLUS	120,289	-	-		120,289
(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)
	152,366	-	11,660		164,026
Surplus before revaluation gain on investments and transfers	272,655	-	11,660		284,315
Revaluation loss on investments	(475,772)	-	-		(475,772)
Transfers between funds	(428)	-	428		-
DEFICIT FOR THE YEAR	(203,545)	-	12,088		(191,457)
Reserves brought forward	12,701,590	3,394,941	159,703		16,256,234
Reserves carried forward	12,498,045	3,394,941	171,791		16,064,777

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).