

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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## **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](http://www.thefinchleycharities.org)

### **TRUSTEES**

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

### **FULL TIME CHIEF EXECUTIVE:**

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

### **MANAGERS**

Property Services Manager: Kevin Duberry  
Housing Services Manager: Ms Claire Young - Resigned June 2023

### **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 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 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 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:

	<b>2023</b>	<b>2022</b>
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:

	<b>2023</b> <b>(12 months)</b>	<b>2022</b> <b>(15 months)</b>
	£	£
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><u>60,582</u></u>	<u><u>487,193</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 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. Pughsley

  
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

					12 months to 31 March 2023 Total	15 months to 31 March 2022 Total
		Unrestricted funds	Designated funds	Restricted funds		
	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	(217,443)	-	-	(217,443)	63,235
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)
		265,009	-	13,016	278,025	423,958
<b>Surplus before revaluation (loss)/gain on investments and transfers</b>		47,566	-	13,016	60,582	487,193
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>		(403,023)	(21,346)	13,444	(410,925)	914,922
		-	-	-	-	-
<b>(DEFICIT)/SURPLUS FOR THE PERIOD</b>		(403,023)	(21,346)	13,444	(410,925)	914,922
<b>Reserves brought forward</b>		12,928,153	3,863,370	188,176	16,979,699	16,064,777
<b>Reserves carried forward</b>		12,525,130	3,842,024	201,620	16,568,774	16,979,699

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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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)	<b>347,460</b>	<b>794,457</b>
<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	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	<b>119,323</b>	<b>466,176</b>



## **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>£</b>	<b>£</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>	<b>1,781,424</b>	<b>2,106,360</b>
<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>	<b>1,998,867</b>	<b>2,043,125</b>
<b>Operating surplus on housing activities</b>	<b>(217,443)</b>	<b>63,235</b>
<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)	172	172

**3. HOUSING ACTIVITY SURPLUS**

The operating surplus is stated after charging:

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

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:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Administrative	6	5
Sheltered Housing Officers	5	5
	<u>11</u>	<u>10</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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**

<b>a) Tangible fixed assets</b>	<b>Freehold Housing Properties £</b>	<b>Housing Property Under Construction £</b>	<b>Office Equipment £</b>	<b>Total 2023 £</b>
<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**

<b>Property</b>	<b>Valuation 2023 £</b>	<b>2022 £</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	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

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

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

	Investments Revaluation £	Property Revaluation £	Revenue Fund £	Total 2023 £	Total 2022 £
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	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 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	1,285,846	1,621,632	9,617,652	12,525,130	12,928,153

##### DESIGNATED FUNDS

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

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.

RESTRICTED	Residents' Donations £	Reserve for recoupment of Capital expenditure £	2023 Total £	2022 Total £
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

	Unrestricted funds £	Designated funds £	Restricted funds £	Property revaluation reserve £	Investment revaluation reserve £	Total funds 2023 £	Total funds 2022 £
<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)
	9,617,652	3,842,024	201,620	1,621,632	1,285,846	16,568,774	16,979,699

#### 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).