

**WEST HAM
NON-ECCLESIASTICAL CHARITY**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**REGISTERED OFFICE :
29-35 West Ham Lane
Stratford
London E15 4PH**

REGISTERED CHARITY NO. 207309

**REGULATOR OF SOCIAL HOUSING
REGISTRATION NUMBER: A3311**

WEST HAM NON-ECCLESIASTICAL CHARITY

FINANCIAL STATEMENTS

for the year ended 31 December 2020

CONTENTS

	PAGE
Legal and Administrative Information	1
Report of the trustees and statement of responsibilities	2-5
Independent auditors report	6-8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Reserves	11
Statement of Cash Flows	12
Notes to the financial statements	13-23

WEST HAM NON-ECCLESIASTICAL CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

for the year ended 31 December 2020

The Trustees who have served from 1 January 2020 up to the date of approval of the accounts

EX-OFFICIO TRUSTEES	Mayor Rokhsana Fiaz Vicar of West Ham – Simon Nicholls Bryan Collier Rev Alex Summers	(appointed 27th May 2021) (appointed 27th May 2021) (resigned 27th May 2021) (resigned 27th May 2021)
NOMINATIVE TRUSTEES	Councillor Winston Vaughan Cllr Shaban Mohammed Cllr John Whitworth Cllr Charlene McLean Cllr Ann Easter Cllr Mumtaz Khan	(resigned 27th May 2021) (appointed 27th May 2021) (appointed 27th May 2021) (appointed 27th May 2021) (appointed 27th May 2021) (appointed 27th May 2021)
CO-OPTATIVE TRUSTEES	Ms Marie Collier Mr Henry Potter (Secretary) Councillor Winston Vaughan Bryan Collier	(resigned 27th May 2021) (appointed 27th May 2021) (appointed 27th May 2021)
REGISTERED OFFICE	29-35 West Ham Lane Stratford London E15 4PH	
AUDITORS	Beever and Struthers 15 Bunhill Row London EC1Y 8LP	
PRINCIPAL BANKERS	National Westminster Bank PLC Gredley House 1-11 Broadway Stratford London E15 4DX	
REGISTERED PROVIDER OF SOCIAL HOUSING NUMBER	A3311	
ALMSHOUSE NUMBER	1681	
REGISTERED CHARITY NUMBER	207309	

**WEST HAM NON-ECCLESIASTICAL CHARITY
REPORT OF THE TRUSTEES AND STATEMENT
OF RESPONSIBILITIES
for the year ended 31 December 2020**

The trustees present their report together with the audited financial statements for the year ended 31 December 2020. This report is written to comply with the Charity's Scheme, the Charities Act 2011 and the Housing SORP 2018. The information on pages 2 and 5 form part of this report.

Objectives and activities

West Ham Non-Ecclesiastical Charity is a registered charity and a Registered Provider of social housing, owning property at Harris Cottages, Gift Lane, Stratford, London. Registration with the Charity Commission was on 22nd September 1962. The day to day management is undertaken through London and Quadrant Housing Trust. The charity operates under a scheme dated 18 April 2000 as amended by a special resolution dated 11 February 2011. The Charity is also registered with the Almshouse Association, registration number 1681.

Harris Cottages is a two storey building comprising of 18 one bed self contained units. The property is designed to accommodate the elderly or the disabled living or working in the Borough of Newham.

Our Charity's purposes as set out in the charity scheme are to provide:

- housing accommodation for its beneficiaries, namely persons in need who are over 60 years of age, and resident in the London Borough of Newham, and persons who are in need, who have not yet reached 60 years of age but who are sick or disabled;
- such charitable purposes for the benefit of the residents as the trustees decide; and
- the relief of persons resident in the area of benefit who are in need, hardship or distress, with a preference for those resident in the former borough of West Ham.

In meeting its objectives the charity may help people in need by:

- making grants of money to them; or
- providing or paying for goods, services or facilities for them; or
- making grants of money to other persons or bodies who provide goods, services or facilities to those in need.

The Board of Trustees consist of 2 ex officio trustees, up to 7 nominated trustees and up to 4 co-opted trustees.

Ex officio trustees

The ex officio trustees are the Mayor of the London Borough of Newham and the Vicar of the ecclesiastical parish of All Saints, West Ham. Historically the Mayor of Newham chaired meetings of the charity but on the appointment of an elected Mayor the option was given to appoint a person as ex-officio trustee to act as his or her representative. Since this arrangement was put in place the board has been chaired by Bryan Collier, an ex Councillor and Mayor of Newham.

The nominated trustees must be appointed by Newham Borough Council. Any appointment must be made at a meeting held according to the ordinary practice of the Council. Each appointment must be made for 4 years; or if the appointment is being made to fill a casual vacancy, the unexpired term of the appointee's predecessor. The person appointed need not be a member of the Council, but should have an interest in the London Borough of Newham.

The appointment of a co-opted trustee must be made by the trustees at a special meeting. Each appointment must be for a term of 4 years. Each co-opted trustee should have an interest in the London Borough of Newham. After successful appointment, new Trustees receives induction and training.

Achievements and performance

All of our charitable activities focus on the provision of housing accommodation and associated support services within our 18 units of sheltered accommodation and are undertaken to further our charitable purposes for the public benefit. The trustees have had regard to Charity Commission's guidance on public benefit.

Financial review

During the year the Charity reported a net inflow of funds of £157,189 (2019: £223,619). Although the Corona Virus pandemic has impacted on the Bank of England's interest rate, the Charity's investment balance increased in value at the year end. In line with general stock market trends, the market value of the investments held at the end of the year increased by £108,749 compared to previous financial year increase (2019: £200,809). The national and local community Lockdowns in relation to the pandemic also affected property maintenance services and communal service provision in the year. The budget for the year was underspent in these areas due to the pause and postponement of some the services. Void charges were also higher than normal due to the extended period of vacant properties as a result of the Corona Virus lockdown.

Reserves

The reserve policy of the Charity is to hold reserves at 2 times its annual income to allow the Charity to adapt to changes in the income or expenditure, plus £50k to allow for emergency major property repairs.

The Trustees currently believe this amount to be £250k circa, compared to £357k in cash reserves held at the year end, 31 December 2020. The trustees are working with L&Q to identify ways to use the surplus reserves to the benefit of the residents and further the Charity's mission in the local community.

WEST HAM NON-ECCLESIASTICAL CHARITY
REPORT OF THE TRUSTEES AND STATEMENT
OF RESPONSIBILITIES
for the year ended 31 December 2020
Continued

Statement of responsibilities

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard ("FRS") 102 applicable in the UK and Republic of Ireland, and United Kingdom Generally Accepted Accounting Practice (UK Standards and applicable law). 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable United Kingdom Accounting Standards and the Housing SORP 2018
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will not continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity enabling them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Registration Act 2008 and the Accounting Direction for Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**WEST HAM NON-ECCLESIASTICAL CHARITY
REPORT OF THE TRUSTEES AND STATEMENT
OF RESPONSIBILITIES
for the year ended 31 December 2020
Continued**

Disclosure of information to auditors

At the date of making this report each of the Charity's Trustees, as set out on page 1, confirm the following:

- so far as each Trustee is aware, there is no relevant information needed by the Charity's auditors in connection with preparing their report of which the Charity's auditors are unaware; and
- each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

Structure, governance and management

Page 1 of this document sets out the trustees responsible for the Charity's governance. Day-to-day management is undertaken by London and Quadrant Housing Trust (L&Q) in accordance with a service level agreement.

The trustees consider the Board of Trustees to be the key management personnel of the charity - in charge of directing and controlling the charity. All trustees give of their time freely and no trustee remuneration or expenses was paid in the year.

In June 2018 the charity adopted a new Code of Governance – the Charity Governance Code. Values which underpins & promotes the Charities activities and purposes were adopted in June 2019. Conflict of interest policy and terms of reference and role profiles were also agreed in principle.

In accordance with the requirements of the Accounting Direction 2019, the trustees certify that the charity has complied with the Social Housing requirements of the Regulator's Governance and Financial Viability standard.

Value for money (VFM)

VFM is about achieving the desired outcomes, for the best possible cost and maximum benefit.

VFM is defined as getting the right balance of inputs, process and outcomes, as described by the 3 Es:

- Economy: minimising the resources required;
- Efficiency: to accomplish something with the least waste of time and effort; and
- Effectiveness: the relationship between the intended and actual results.

The service level agreement, between West Ham Non-Ecclesiastical Charity and L&Q Housing Trust embeds the controls that are required, and will continue for the foreseeable future.

The Trustees review a quarterly performance report which highlights specific KPIs, such as rent arrears, void loss, and repairs. The financial performance which measures the actual cost against the agreed budget is also reviewed quarterly.

Given the specific nature of the housing stock, of the charity, together with its size and location, the Trustees consider that entering into the management arrangement with L&Q Housing Trust is the best way of ensuring value for money for all stakeholders and most particularly the Charity's residents.

Measuring value for money

Under the "Value for Money Standard 2018" issued by the Regulator, additional measures required to be reported annually by the Charity are:

Matrix	2020 Peer group median*	2020 Target	2020 Actual	2019 Actual	2018 Actual	2021 Forecast
Reinvestment %	1%	0%	0%	0%	3%	0%
New Supply Delivered (Social Housing Units) %	0%	0%	0%	0%	0%	0%
New Supply Delivered (Non-Social Housing Units)	0%	0%	0%	0%	0%	0%
Gearing %	-3%	N/A	N/A	N/A	N/A	N/A
EBITDA MRI Interest Cover %	566%	N/A	N/A	N/A	N/A	N/A
Headline Social Housing Cost Per Unit	£5,071.75	£4,958.06	£2,813.00	£4,616.00	£3,324.00	£5,072.00
Operating Margin (social housing lettings only)	20%	11%	43%	18%	47%	12%
Operating Margin (overall) %	25%	11%	43%	18%	48%	12%
Return on Capital Employed (ROCE) %	5%	1%	2%	1%	3%	1%

**WEST HAM NON-ECCLESIASTICAL CHARITY
REPORT OF THE TRUSTEES AND STATEMENT
OF RESPONSIBILITIES
for the year ended 31 December 2020
Continued**

Measuring value for money cont'd

The reinvestment metric looks at the investment in properties as a percentage of the value of total properties held at the end of the year. The Charity's reinvestment percentage is Nil - (2019: Nil), the nil position is as a result of no capital or component related works being completed in the year.

The new supply delivered metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end. This metric is nil for the Charity as no development or units acquisition took place in the year.

Gearing assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth. The EBITDA MRI interest cover measure is also a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge. Both of these metrics are not applicable to the Charity as they do not have any loan facilities.

The Charity's headline operating cost per social housing unit is, £2,813 - (2019: £4,616). This is significantly lower due to impact the Coronavirus pandemic and lockdown restrictions. Maintenance and communal services were restricted to essential, critical and health and safety orders.


The Charity's operating margin is 43% - (2019: 18%). The operating margin demonstrates the profitability of operating assets before exceptional expenses such as gain/loss on fixed asset disposal. The increase in margins reflects the lower operating costs as described above. The operating margins (social lettings only and overall percentages) are the same results as the Charity has no other turnover except from social housing activities.

The return on capital employed (ROCE) gives an indication of how well the Charity makes a financial return on the assets it owns. This Charity's ROCE is 2% - (2019: 1%), and has improved due to increase in surplus caused by lower expenditure and increase in net assets as a result of decreased creditors.

Auditors

A resolution to re-appoint Beever and Struthers as external auditors was agreed at the Annual General Meeting.

The report of the Trustees was approved by the Trustees on 24th June.....2021 and signed on its behalf


Henry Potter
Secretary to the Charity

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF
WEST HAM NON-ECCLESIASTICAL CHARITY
for the year ended 31 December 2020**

Opinion

We have audited the financial statements of West Ham Non Ecclesiastical Charity (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Activities, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF
WEST HAM NON-ECCLESIASTICAL CHARITY
for the year ended 31 December 2020
continued**

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF
WEST HAM NON-ECCLESIASTICAL CHARITY
for the year ended 31 December 2020
continued**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of laws and regulations that affect the Charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Charities Act 2011, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, and health and safety legislation.
- We enquired of the Trustees and reviewed correspondence and Trustees meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustee have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Charity's activities and the regulated nature of the Charity's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Charity about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Chartered Accountants
Statutory Auditor
15 Bunhill Row
London
EC1Y 8LP

Date: 29 June 2021

WEST HAM NON-ECCLESIASTICAL CHARITY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	3	108,208	111,355
Operating Costs	3	(62,456)	(91,172)
Gain/ (Loss) on sale of fixed asset		-	-
Operating Surplus / (Deficit)		45,752	20,183
Interest Receivable	4	2,697	2,692
Interest Payable	5	(9)	(65)
Surplus / (Deficit) for the year	6	48,440	22,810
Gains / (Loss) on value of investments	11	108,749	200,809
Total Comprehensive Income for the year		157,189	223,619

The financial statements on pages 9 to 23 were approved by the Trustees and the Secretary on **24 June** 2021 and signed on their behalf by:

Trustee Name

Mayer Rokhsana Fiaz

Trustee Name

HENRY POTTER

Trustee Signature

[Signature]

Trustee Signature

[Signature]

The Statement of Comprehensive Income relates wholly to continuing activities and the notes on pages 13 to 23 form an integral part of these financial statements.

Chris of twybee
Barcl

WEST HAM NON-ECCLESIASTICAL CHARITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed Assets			
Housing Properties	10	418,924	427,017
Investments	11	1,250,113	1,141,364
		1,669,037	1,568,381
Current Assets			
Debtors	12	37,158	17,039
Cash and cash equivalents	13	356,849	331,896
		394,007	348,935
Less: Creditors			
Amounts falling due within one year	14	(26,206)	(33,326)
Net current assets / (liabilities)		367,801	315,609
Total assets less current liabilities		2,036,838	1,883,990
Creditors			
Amounts falling due after more than one year	15	(164,957)	(169,298)
Total Net Assets		1,871,881	1,714,692
Capital and Reserves			
Income and Expenditure Reserve	17	643,377	594,937
Revaluation Reserve	18	1,228,504	1,119,755
Total Capital & Reserves		1,871,881	1,714,692

The financial statements on pages 9 to 23 were approved by the Trustees and the Secretary on 24 June 2021 and signed on their behalf by:

Trustee Name

Mayer Rokhsana Fiaz

Trustee Name

Henry Pottel

Trustee Signature

[Signature of Mayer Rokhsana Fiaz]

Trustee Signature

[Signature of Henry Pottel]

The notes on pages 13 to 23 form an integral part of these financial statements.

Chair of Trustees Board

WEST HAM NON-ECCLESIASTICAL CHARITY
STATEMENT OF CHANGES IN RESERVES
for the year ended 31 December 2020

	Income and Expenditure Reserve £	Revaluation Reserve £	Total £
Balance as at 1 January 2019	572,127	918,946	1,491,073
Surplus / (deficit) from Statement of Comprehensive Income	22,810	200,809	223,619
Balance at 31 December 2019	594,937	1,119,755	1,714,692
Surplus / (deficit) from Statement of Comprehensive Income	48,440	108,749	157,189
Balance at 31 December 2020	<u>643,377</u>	<u>1,228,504</u>	<u>1,871,881</u>

The notes on pages 13 to 23 form an integral part of these financial statements.

WEST HAM NON-ECCLESIASTICAL CHARITY

STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020	2019
		£	£
Net cash generated from operating activities (see Note i)	i	22,265	38,432
Cash flow from investing activities			
Purchase of tangible fixed assets		-	-
Interest received		<u>2,697</u>	<u>2,692</u>
		<u>24,962</u>	<u>41,124</u>
Cash flow from financing activities			
Interest paid		<u>(9)</u>	<u>(65)</u>
		<u>(9)</u>	<u>(65)</u>
Net change in cash and cash equivalents		<u>24,953</u>	<u>41,059</u>
Cash and cash equivalents at beginning of the year		331,896	290,838
Cash and cash equivalents at end of the year		<u>356,849</u>	<u>331,896</u>

Note i	2020	2019
	£	£
Cash flow from operating activities		
Surplus / (deficit) for the year	48,440	22,810
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	8,093	8,094
Decrease / (increase) in trade and other debtors	(20,119)	131
Increase / (decrease) in trade and other creditors	(7,120)	14,366
Government grants utilised in the year	(4,341)	(4,342)
Adjustments for investing or financing activities:		
Interest payable	9	65
Interest receivable	(2,697)	(2,692)
Net cash generated from operating activities	<u>22,265</u>	<u>38,432</u>

Note ii	2020	2019
	£	£
Analysis of cash and cash equivalents		
Current accounts	312,284	290,019
Deposit accounts	44,565	41,877

The notes on pages 13 to 23 form an integral part of these financial statements.

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Notes

1 LEGAL STATUS

West Ham Non-Ecclesiastical Charity is registered as a Charity in England and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 29-35 West Ham Lane, Stratford, London, E15 4PH

2 PRINCIPAL ACCOUNTING POLICIES

The Charity's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

Private Registered Providers of Social Housing 2019 and the Charities Act 2011. The accounts are prepared on the historical cost basis of accounting except for investments which are held at fair value, and are presented in sterling £.

The Association's financial statements have been prepared in compliance with FRS 102, the Association transitioned from previous UK GAAP to FRS 102 as at 1 January 2014.

As a public benefit entity, West Ham Non-Ecclesiastical Charity has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Charity's financial statements have been prepared in compliance with FRS 102. The Charity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014 and subsequently adopted the Housing SORP: 2018 update – Statement of Recommended Practice for registered social housing providers as at 1 January 2019.

2a Basis of Accounting

The financial statements are prepared on the historical cost basis of accounting, with the exception of investments which are held at fair value. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future and for this reason it continues to adopt the going concern basis in the financial statements.

Going concern

The Charity's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

2b Turnover

Turnover represents rental and service charge income receivable and amortised capital grants and is recognised as it falls due. All turnover is recognised on an accruals basis.

2c Housing Properties

Housing properties are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development cost, interest charges incurred during the development period, and expenditure incurred in respect of improvements.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in net rental income over the lives of the properties, thereby enhancing the economic benefit of the assets, are capitalised as improvements. Only the direct overhead costs associated with new developments or improvements are capitalised. Land donated by local authorities and others is added to cost at the market value of the land at the time of the donation.

2d Social Housing Grant

Social housing grant ('SHG') received from Homes England was utilised to reduce the capital costs of housing properties, including land costs. It was allocated to the land and structure components of the associated asset in proportion to their costs. Grant receivable in respect of identifiable components is allocated.

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020
Continued

Notes

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2d Social Housing Grant (continued)

SHG due or received in advance is included as a current asset or liability.

SHG is subordinated to the repayment of loans by agreement with Homes England.

SHG released on sale of a property may be repayable but is not normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet creditors.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, the charity is required to recycle these proceeds.

2e Investments

Fixed asset investments are recognised initially at cost and are included in the Statement of Financial Position at the market value. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income and the gain/loss of investments goes to the revaluation reserves.

2f Depreciation

Housing Properties

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

The Charity depreciates the major components of its housing properties over the following lives:

Structure - 120 years
Roof - 60 years
Windows - 30 years
Electrical Installation - 30 years
Heating System - 20 years
Boiler - 15 years
Bathroom - 30 years
Kitchen - 20 years

Freehold land is not depreciated.

2g Impairment

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed individually for impairment:

- (a) All equity instruments regardless of significance; and
- (b) Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- (a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- (b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

2h Other Fixed Assets

Other fixed assets are stated at cost less depreciation.

Fixtures and Fittings and Equipment

Depreciation of fixtures and fittings and equipment is provided on a straight line basis to write off the cost over the expected useful life. The rate of depreciation is 20%.

Major Plant

Depreciation of major plant is provided on a straight line basis to write off the cost over the expected useful life. The rate of depreciation is 20%.

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020
Continued

Notes

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2i Taxation

By virtue of s.478 Corporation Tax Act 2010 the Charity is exempt from Corporation Tax

Value Added Tax

The Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of irrecoverable VAT.

2j Interest Payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of SHG received in advance; or
- b) a fair amount of interest on borrowings of the charity as a whole after deduction of SHG received in advance to the extent Other interest payable is charged to the Statement of Comprehensive Income in the year.

2k Revaluation Reserves

Revaluation reserve is the difference between the market value of investments and the historical cost carrying value is credited to the revaluation reserve.

2l Judgements in applying accounting policies and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below.

(i) Useful economic lives of tangible assets and associated amortisation of deferred capital grants

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the housing properties, and note 2(f) for the useful economic lives for each class of assets.

(ii) Bad debt provision - provision is made for rental arrears, which are considered to be non-recoverable. The full value of former tenant debt is provided for. The provision for current tenant debt is calculated based upon the value and age of the debt.

(iii) Impairment - An assessment is made at each reporting date as set out in note 2g as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made.

2m Financial instruments

Financial instruments such as loans, accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently all basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through the comprehensive income. Financial instruments held by the Charity are classified as follows:
Financial assets such as current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020
Continued

Notes

3a PARTICULARS OF TURNOVER AND OPERATING SURPLUS

	Turnover	Operating Costs	Operating Surplus
	2020	2020	2020
	£	£	£
Social Housing Lettings (note 3b)	108,208	(62,456)	45,752
	<u>108,208</u>	<u>(62,456)</u>	<u>45,752</u>
	Turnover	Operating Costs	Operating Surplus
	2019	2019	2019
	£	£	£
Social Housing Lettings (note 3b)	111,355	(91,172)	20,183
	<u>111,355</u>	<u>(91,172)</u>	<u>20,183</u>

3b PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General needs Housing 2020	General needs Housing 2019
	£	£
Rent receivable net of identifiable service charges and voids	76,965	74,437
Service charge income	26,902	32,576
Grant amortisation	4,341	4,342
Turnover from social housing lettings	<u>108,208</u>	<u>111,355</u>
Management	29,296	26,401
Services	17,425	25,230
Routine maintenance	3,922	26,218
Bad Debt Expense	3,720	4,174
Depreciation of housing properties	8,093	8,095
Other costs	-	1,064
Operating costs on social housing lettings	<u>62,456</u>	<u>91,172</u>
Operating surplus on social housing lettings	<u>45,752</u>	<u>20,183</u>
Void losses	<u>2,779</u>	<u>1,870</u>

ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

	2020	2019
Social Housing	<u>18</u>	<u>18</u>

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020
Continued

Notes

4 INTEREST RECEIVABLE AND OTHER INCOME

	2020	2019
	£	£
Investment income	2,680	2,604
Bank deposit interest	17	88
	<u>2,697</u>	<u>2,692</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
Bank charges	9	65
	<u>9</u>	<u>65</u>

6 NET INCOME

	2020	2019
	£	£
Surplus on ordinary activities before taxation is stated after charging :-		
Depreciation of housing properties	8,092	8,095
Auditors' remuneration (excluding VAT) - external audit	<u>4,705</u>	<u>4,654</u>

The external auditors provided no other services in the year.

7 TAXATION

The organisation is a registered charity and, by virtue of s.478 Corporation Tax Act 2010, is exempt from Corporation Tax.

8 OFFICERS' AND SENIOR EXECUTIVES' EMOLUMENTS

No emoluments were paid to any officers or senior executives for the year ended 31 December 2020 (2019: nil)

9 EMPLOYEES

There are no employees of the charity as at the 31 December 2020 (2019: Nil).

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Continued

Notes

10 HOUSING PROPERTIES

	Freehold Land & Buildings £	Total £
Cost		
As at 1st January 2020	719,316	719,316
Additions	-	-
As at 31 December 2020	<u>719,316</u>	<u>719,316</u>
Depreciation		
As at 1st January 2020	292,299	292,299
Charge for the year	8,093	8,093
As at 31 December 2020	<u>300,392</u>	<u>300,392</u>
Net Book Value		
As at 31 December 2019	<u>427,017</u>	<u>427,017</u>
As at 31 December 2020	<u>418,924</u>	<u>418,924</u>

The cost of housing properties stated above includes land on the east side of Gift Lane, Stratford, being about one-third of an acre and the Almshouse building thereon. These are vested in the Official Custodian for Charities by virtue of the Scheme of the Charity Commissioners dated 28th June 1923 and a conveyance dated 29th January 1932 as affected by the Charities Act 1960 and by an order of the Commissioners dated 13th August 1962.

The land consists of two plots :-

i) Formerly occupied by 2 copyhold cottages devised by the will of Roger Harris dated 19th September 1633, to provide rent free accommodation for poor persons and included in the Charity's accounts subsequently.

ii) The site originally known as 27 Church Street, being 900 sq. feet (approx.), purchased in 1932 for £925.

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020
Continued

Notes

11 INVESTMENTS

	2020	2019
	£	£
Cost or valuation		
As at 1 January 2020		
Cost	21,609	21,609
Valuation	<u>1,141,364</u>	<u>940,555</u>
Additions	-	-
Disposals	-	-
Revaluation	108,749	200,809
As at 31 December 2020	<u><u>1,250,113</u></u>	<u><u>1,141,364</u></u>
Impairment		
As at 1st January 2020	-	-
Written off	-	-
Eliminated on disposals	-	-
As at 31 December 2020	<u><u>-</u></u>	<u><u>-</u></u>
Net Book Value		
As at 31 December 2020	<u><u>1,250,113</u></u>	<u><u>1,141,364</u></u>
As at 31 December 2019	<u><u>1,141,364</u></u>	<u><u>940,555</u></u>
The investments comprise the following :-	2020	2019
	£	£
The Charities Official Investment Fund		
Income shares	13,101	13,101
Accumulation shares	8,508	8,508
	<u><u>21,609</u></u>	<u><u>21,609</u></u>

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Continued

Notes

12 DEBTORS - DUE WITHIN ONE YEAR

	2020	2019
	£	£
Rent and service charges receivable	21,254	19,930
Less: provision for bad and doubtful debts	<u>(7,738)</u>	<u>(4,018)</u>
	13,516	15,912
 Other Debtors	 23,642	 1,127
	<u><u>37,158</u></u>	<u><u>17,039</u></u>

13 CASH AT BANK AND IN HAND

	2020	2019
	£	£
Deposit account	44,565	41,877
Current accounts	<u>312,284</u>	<u>290,019</u>
	<u><u>356,849</u></u>	<u><u>331,896</u></u>

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Deferred capital grant - (note 16)	4,341	4,341
Rent received in advance	9,204	10,933
Accruals	12,661	10,224
Other creditors	-	7,828
	<u><u>26,206</u></u>	<u><u>33,326</u></u>

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Deferred capital grant - (note 16)	<u>164,957</u>	<u>169,298</u>
	<u><u>164,957</u></u>	<u><u>169,298</u></u>

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Continued

Notes

16 DEFERRED CAPITAL GRANT

	2020	2019
	£	£
As at 1 January	173,639	177,981
Released to Income in the year	(4,341)	(4,342)
As at 31 December	<u>169,298</u>	<u>173,639</u>
To be amortised in less than one year	4,341	4,341
To be amortised in more than one year	164,957	169,298
Total accumulated government grant	<u>169,298</u>	<u>173,639</u>
The total accumulated government grant and financial assistance received or receivable at 31 December	<u>520,920</u>	<u>520,920</u>

17 REVENUE RESERVES

	2020	2019
	£	£
As at 1 January	594,938	572,126
Net movement in funds	48,439	22,812
As at 31 December	<u>643,377</u>	<u>594,938</u>

The principal effects of adopting FRS 102 has been with regard to:

(i) Historically SHG was disclosed netted against the related fixed assets. It is now disaggregated and shown as deferred capital grant within creditors.

(ii) Deferred capital grants are accounted for under the accruals model - whereby an element of the grant is amortised in line with the asset's utilisation. On transition an adjustment has been made to reflect the amortisation of such grant to date and to disaggregate the effect from net depreciation previously accounted for. The adjustment also reflects the review of component depreciation undertaken at the same time. This adjustment accounts for the increment in net funds.

18 INVESTMENT REVALUATION RESERVE

	2020	2019
	£	£
As at 1st January	1,119,755	918,946
Unrealised surplus / (deficit) on investments	108,749	200,809
As at 31 December	<u>1,228,504</u>	<u>1,119,755</u>

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020
Continued

Notes

19 HOUSING STOCK

The Charity's stock of housing consists of 18 rehabilitated flats at Gift Lane Stratford.

20 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2020 (2019: Nil)

21 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2020 (2019: Nil)

22 MANAGEMENT AGREEMENT

Under a renewed management agreement signed in 2019, L&Q Group is responsible for managing the day to day affairs of the Charity. The management fees payable in the year amounted to £21,562 (2019: £20,995).

23 OPERATING LEASES

There were no operating leases held at 31 December 2020 (2019: nil)

24 RELATED PARTIES

The related party transaction is between L&Q the management company and the Charity. The balanced owing to the Charity at year end is £21,683(2019: the Charity owed L&Q £7,828).

25 FINANCIAL INSTRUMENTS

The Charity's financial instruments may be analysed as follows

	2020 £	2019 £
Financial Assets		
Financial Assets Measured at Fair Value		
Investments	1,250,113	1,141,364
Financial Assets Measured at Cost		
Cash and cash equivalents	356,849	331,896
Financial Assets Measured at Amortised Cost		
Rent and Service Charge Debtors	21,254	19,930
Other Debtors	23,642	1,127
Total Financial Assets	<u>1,651,858</u>	<u>1,494,317</u>
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost		
Trade Creditors	9,204	10,933
Other Creditors	-	7,828
Total Financial Assets	<u>9,204</u>	<u>18,761</u>

WEST HAM NON-ECCLESIASTICAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

Continued

26 Analysis of changes in net debt

	2019 £	Cash flows £	2020 £
Short and long term loan	-	-	-
Total liabilities	-	-	-
Cash and cash equivalents	(331,896)	(24,953)	(356,849)
Total net debt	(331,896)	(24,953)	(356,849)

