

REGISTERED COMPANY NUMBER: 00469476 (England and Wales)  
REGISTERED CHARITY NUMBER: 241516

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021  
FOR  
THE WAR MEMORIAL VILLAGE-DERBY**

# **THE WAR MEMORIAL VILLAGE-DERBY**

## **CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

---

	<b>Page</b>
<b>Report of the Trustees</b>	<b>1 to 5</b>
<b>Report of the Independent Auditors</b>	<b>6 to 9</b>
<b>Statement of Financial Activities</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12 to 22</b>

---

# THE WAR MEMORIAL VILLAGE-DERBY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

---

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### OBJECTIVES AND ACTIVITIES

#### Objectives and aims

The prime objective of the charity is to own, operate and maintain an enclave of high-grade housing in the City of Derby specifically for the benefit of disabled former members of HM Forces, the Emergency Services and others whom the trustees shall from time to time deem worthy of inclusion.

In the furtherance of its prime objective the charity strives to:

- provide more general non-residential relief of need for beneficiaries.
- engage in other charitable activity that generates funds to be applied directly in furtherance of the prime objective;
- cooperate with other charities, ex-service organisations, central and local government authorities, public and private corporations, societies and persons in similar activities; and
- apply the whole of the material and financial resources of the charity, whence-so ever and how-so ever derived.

The charity maintains healthy financial operating and reserve accounts with established banks to secure the aims previously stated. These financial activities are monitored and audited by the charity's accountants and legal advisers.

The charitable company is managed by a Board of Directors/Trustees who are all volunteers while the estate is managed and maintained by our managing agents - Derby Homes Limited - the social housing department of Derby City Council.

#### Trustees

All directors/ trustees are volunteers and take no remuneration except the reimbursement of travel expenses.

#### Public benefit

The trustees have given due regard to the guidance on public benefit issued by the Charities Commission when reviewing its aims and objectives and in planning future activities.

As described under objectives and activities, the charity is committed to providing and maintaining high grade social housing in the City of Derby, within the scheme known as The War Memorial Village Derby, specifically for the benefit of disabled former members of HM Forces, the Emergency Services and others whom the trustees shall from time to time deem worthy of inclusion.

The trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims.

# THE WAR MEMORIAL VILLAGE-DERBY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

---

### ACHIEVEMENT AND PERFORMANCE

#### Charitable activities

The Board of Directors/Trustees has maintained the estate in excellent condition through close cooperation with the managing agents, Derby Homes Limited and by prudent management of operating and reserve financial resources. We have established and are now working to a 30-year outline strategy that combines maintenance and redevelopment with detailed budgeted action for the short [in year] and medium terms [ie to 5yrs]. The budget is drafted each year and passed by the Board of Directors/Trustees. Subjected to continuous monitoring by the Chairman and Treasurer, periodic updates including forecast of outturn are presented at each quarterly meeting of Directors/Trustees.

The estate is now some seventy years old and the Trustees have taken the strategic decision progressively to demolish old housing stock and to replace these with new bungalows working to an initial 30-year programme horizon.

As previously reported, our immediate plans [Phase 1] commenced in the year ended 31 March 2019 with demolition work to clear the site. The construction of the new bungalows commenced in June 2019 and progressed throughout the year. The work was completed in the year ended 31 March 2021. To fund this initial piece of work, for Phase 1, in addition to the commitment in the amount of £300k from our reserves, we successfully negotiated a grant from Derby City Council in the amount of £300k and a loan from Charity Bank of £600k.

The consulting architects, ARCUS, have prepared and presented to the Board of Trustees a plan for the total redevelopment of the estate. This will be rolled out progressively with a nominal 20-year horizon, probably in work packages similar to the Phase 1 work.

Experience and financial performance indicate that, in like for like terms, our operation continues to be effective and efficient, enhanced by the excellent service from and close cooperation with our managing agents - Derby Homes Limited.

This year was marked by the worldwide pandemic outbreak of COVID 19 and national lockdowns imposed by central government. Locally the War Memorial Village was well served by local volunteers ensuring the health and well being of our residents undertaking such tasks of doing their shopping, fetching prescriptions and through our links with Derby City Council ensuring the most vulnerable of our residents had a Christmas dinner delivered.

Although the effects of the pandemic during this financial year are negligible, the effects will present in the next period. Unfortunately, the village suffered several deaths during the period and with the new build properties being completed we had 16 empty properties with prospect tenants unable to move due to lockdown.

### FINANCIAL REVIEW

#### Financial position

The results for the year show a deficit on unrestricted funds of £20,823 (2020: £85,812) and a surplus on restricted funds of £126,600 (2020: £173,400). The overall surplus for the year amounted to £105,777 (2020: £87,588).

Unrestricted funds as at 31 March 2021 totalled £4,982,822 (2020: £5,003,645) of which £3,741,053 related to a property revaluation reserve (2020: £3,751,255).

Restricted funds as at 31 March 2021 totalled £303,889 (2020: £177,289).

#### Principal funding sources

The principal source of funds is the annual revenue secured by rents on the properties which amounted to £211,758 for the year ended 31 March 2021 (2020: £222,651). There have been no grants in aid beyond those mentioned above in connection with specific programmes.

Our close relationship with the Derby and Derbyshire Disabled Soldiers Settlement continues and we remain in conversation with them regarding mutual support.

All expenditure, after essential administration and governance costs, is focused on the maintenance and renewal of the estate.

#### Investment policy and objectives

The rental income from our additional property continues to show an ROI of some 7%pa. The remaining cash reserves are lodged with HSBC. The investment strategy remains under continuous audit and review.

# THE WAR MEMORIAL VILLAGE-DERBY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

---

### FINANCIAL REVIEW - continued

#### Reserves policy

In accordance with Charity Commission guidelines, the charity has historically targeted a minimum reserve of around 1.3 times annual revenue - this equates to circa £300k.

However, the new estates strategy and the concomitant works, including reconstruction, have required this figure to be kept somewhat flexible and it currently stands at circa £339k which is above the amount mentioned above. As the plans for reconstruction progress this reserve will be applied to the work, supported by the loans and grants previously mentioned.

The charity has no funds in deficit.

#### Going concern

Due to the nature of the charity's activities with rents forming the main source of its income, the effects of the global coronavirus pandemic has had little impact on the results of the charity in the year ended 31 March 2021.

There has been some loss of rental income in the year ended 31 March 2021 due to the ongoing redevelopment and the sad passing of some tenants which has necessitated some refurbishment to existing properties.

The Trustees closely monitor actual performance against budget and some loss of income was envisaged. The successful completion of phase one of the redevelopment towards the end of the 2020/21 year will result in additional rental income from the 2021/22 financial year. Expenditure on responsive repairs and planned works for existing properties within the portfolio are in line with budget for 2020/21.

The trustees consider that there are no issues with going concern.

### FUTURE PLANS

The trustees aim to continue the implementation of their 30 year strategy without compromising the provision of quality housing to its tenants.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The War Memorial Village Derby is governed by its Memorandum and Articles of Association and is a company limited by guarantee. The liability of each member is limited to an amount not exceeding £1.

The Charity has a Board of Trustees which also constitutes the Directors of the Company.

#### Recruitment and appointment of new trustees

Trustees are selected on the basis of specialist knowledge and previous experience in Director/Trustee - type roles, especially within the social housing and military sectors.

Potential Director/Trustees are interviewed by the serving Board and election is by in-office Director/Trustees based on merit and professional contribution of the candidate.

#### Induction and training of new trustees

The Trustees regularly convene a governance seminar delivered by an independent subject matter expert for the purpose of updating the knowledge base with regard to latest changes in Charities and Companies legislation and to discuss good practice.

#### Wider network

The charity maintains a close relationship with ex-service organisations through local representatives.

The charity maintains a close relationship with the Derby and Derbyshire Disabled Soldiers' Settlement for the purpose of alleviating distress via financial assistance locally.

#### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board has in place a risk management policy and regularly assesses operating and financial risks advised by the managing agents - Derby Homes Limited.

# THE WAR MEMORIAL VILLAGE-DERBY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

---

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**  
00469476 (England and Wales)

**Registered Charity number**  
241516

**Registered office**  
81 Burton Road  
Derby  
Derbyshire  
DE1 1TJ

**Principal address**  
280 Sinfin Avenue  
Shelton Lock  
DERBY  
Derbyshire  
DE24 9QX

### Trustees

Harvey Jennings  
John Jennings  
Jonathan Smale  
Norma Bracewell  
Micky Doyle  
Alan Grimadell  
Glynn Kearney  
Mel Martin  
Ross McCristal  
Sarah Smith  
Andrew Wall

Chairman  
Vice Chairman  
Treasurer

The Mayor of Derby is the President of the charity and is an Ex-Officio by invitation.

**Company Secretary**  
H Jennings

**Auditors**  
Johnson Tidsall Limited  
Chartered Accountants  
& Statutory Auditor  
81 Burton Road  
Derby  
Derbyshire  
DE1 1TJ

**Bankers**  
HSBC  
Victory Road  
Derby  
Derbyshire  
DE24 9HX

Charity Bank Limited  
Fosse house  
182 High Street  
Tonbridge  
TN9 1BE

# THE WAR MEMORIAL VILLAGE-DERBY

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

---

### REFERENCE AND ADMINISTRATIVE DETAILS - continued

#### Solicitors

Freeth Cartwright  
Cardinal Square  
10 Nottingham Road  
Derby  
DE1 3QT

Mr Jonathan Smale and Mr Harvey Jennings were responsible for the day-to-day management of the charity throughout the year.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The War Memorial Village-Derby for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 22 December 2021 and signed on its behalf by:

  
.....  
H Jennings Trustee



# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE WAR MEMORIAL VILLAGE-DERBY

---

## Opinion

We have audited the financial statements of The War Memorial Village-Derby (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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 Companies Act 2006.

## 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 charitable company 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 charitable company'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.

## 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.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

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

In the light of the knowledge and understanding of the charitable company 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 Companies Act 2006 requires us to report to you if, in our opinion:

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



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE WAR MEMORIAL VILLAGE-DERBY

---

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE WAR MEMORIAL VILLAGE-DERBY

---

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature and control environment of the charity
- Our discussions with management and governance including whether they had knowledge of any actual, suspected or alleged fraud
- The internal controls to mitigate the risks of fraud

Following our review, we have identified the following areas which are deemed to have the greatest potential for fraud or material misstatement within the financial statements:

- The recognition of rental income
- The evaluation of stage payments in relation to redevelopment costs
- Third party confirmation of ownership of title to freehold property
- Work carried out by agents in relation to property maintenance
- The risk of management override

We also considered any laws and regulations that were central to the operation of the charity including charity law and employment law.

The following procedures were undertaken in respect of the risks where we identified the potential for material misstatement:

- Rental observation test was performed to ensure the completeness of income. Detailed rental summaries per property, including rentals in arrears and paid in advance, were obtained from agents. A control account was prepared, and total income was reconciled to the financial statements. Rent increases were agreed to trustees' meeting minutes. A sample of tenants' agreements were obtained and agreed to rental records.
- Costs of redevelopment were agreed to stage payment invoices raised and percentage completion agreed to architect certificates which also confirmed the total project cost.
- Ownership of all freehold properties individually detailed in the charitable company's portfolio was confirmed with HM Land Registry.
- Detailed schedules of work carried out per property by acting agents for the charitable company were reviewed and costs agreed to amounts paid quarterly by the charity. A sample of non-routine expenditure requiring trustee approval was agreed to email.
- No journal entries were posted by the charity. During our audit we considered any large, unusual or transactions outside the normal course of business which were highlighted as a result of our testing.
- We reviewed the minutes of trustees' meetings and controls put in place by the board of trustees including a review of their risk assessment.
- At the planning stage we discussed with management any laws and regulations which were central to the operation of the charity.
- The financial statements were reviewed alongside our disclosure checklists to identify any unusual or unexpected relationships or any areas of non-compliance. Discussions were held with management where it was considered additional disclosures were required.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE WAR MEMORIAL VILLAGE-DERBY

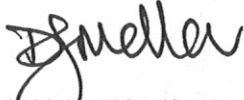
---

- We remained alert to any indications of fraud, material misstatement or non-compliance with laws and regulations throughout the audit including those relating to the financial statements.

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.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Mellor FCA (Senior Statutory Auditor)  
for and on behalf of Johnson Tidsall Limited  
Chartered Accountants  
& Statutory Auditor  
81 Burton Road  
Derby  
Derbyshire  
DE1 1TJ

Date: 22/12/2021

# THE WAR MEMORIAL VILLAGE-DERBY

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	5,524	126,600	132,124	180,024
<b>Charitable activities</b>					
Housing services	6	211,758	-	211,758	222,651
Other trading activities	4	-	-	-	1,081
Investment income	5	114	-	114	1,801
<b>Total</b>		<b>217,396</b>	<b>126,600</b>	<b>343,996</b>	<b>405,557</b>
<b>EXPENDITURE ON</b>					
Raising funds	7	1,278	-	1,278	507
<b>Charitable activities</b>					
Housing services	8	236,941	-	236,941	317,462
<b>Total</b>		<b>238,219</b>	<b>-</b>	<b>238,219</b>	<b>317,969</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(20,823)</b>	<b>126,600</b>	<b>105,777</b>	<b>87,588</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		5,003,645	177,289	5,180,934	5,093,346
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>4,982,822</u></b>	<b><u>303,889</u></b>	<b><u>5,286,711</u></b>	<b><u>5,180,934</u></b>

The notes form part of these financial statements

**THE WAR MEMORIAL VILLAGE-DERBY**

Company number 00469476

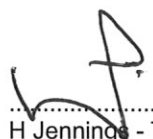
**BALANCE SHEET**

31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Intangible assets	14	6,300	-	6,300	8,400
Tangible assets	15	<u>5,506,712</u>	<u>227,496</u>	<u>5,734,208</u>	<u>5,127,340</u>
		5,513,012	227,496	5,740,508	5,135,740
<b>CURRENT ASSETS</b>					
Debtors	16	12,080	72,504	84,584	17,546
Cash at bank		<u>374,875</u>	<u>3,889</u>	<u>378,764</u>	<u>277,430</u>
		386,955	76,393	463,348	294,976
<b>CREDITORS</b>					
Amounts falling due within one year	17	(538,921)	-	(538,921)	(24,403)
<b>NET CURRENT ASSETS</b>		<u>(151,966)</u>	<u>76,393</u>	<u>(75,573)</u>	<u>270,573</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,361,046	303,889	5,664,935	5,406,313
<b>CREDITORS</b>					
Amounts falling due after more than one year	18	(378,224)	-	(378,224)	(225,379)
<b>NET ASSETS</b>		<u>4,982,822</u>	<u>303,889</u>	<u>5,286,711</u>	<u>5,180,934</u>
<b>FUNDS</b>	21				
Unrestricted funds				4,982,822	5,003,645
Restricted funds				<u>303,889</u>	<u>177,289</u>
<b>TOTAL FUNDS</b>				<u>5,286,711</u>	<u>5,180,934</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22 December 2021 and were signed on its behalf by:

  
 .....  
 H Jennings - Trustee

The notes form part of these financial statements

# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

---

### 1. STATUTORY INFORMATION

The War Memorial Village - Derby is a charitable company, registered in England and Wales. The charitable company's registered company number, registered charity number, registered office address and business address can be found in the reference and administrative details of the Report of the Trustees.

The presentation currency of the financial statements is the Pound Sterling £.

### 2. ACCOUNTING POLICIES

#### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Phase one of the charity's redevelopment programme of its property portfolio progressed in the year. Funding and grants secured in 2019 totalling £900,000 have been part utilised. Phase one obtained its Practical Completion Certificate towards the end of the year ended 31 March 2021. The budgeted income and expenditure both in the short term and medium term is considered sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **Significant judgements and estimates**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements and estimates have been made in the process of applying the charitable company's accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Freehold property additions - late costs in relation to the final invoice and retention of phase one of the new build have been capitalised in the year on the basis that the practical completion certificate was issued by the year end.

Grants - grants have been recognised in accordance with the terms of the grant on a performance basis which is linked to the completion stages of the new build.

Depreciation - the useful life of freehold properties, which are housing properties, is based on component accounting. Estimates are calculated on historic experience and current expectations of useful life.

#### **Financial reporting standard 102 - reduced disclosure exemptions**

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity, and it is probable that they will be fulfilled.

Income from charitable activities includes income earned from rents. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. ACCOUNTING POLICIES - continued**

**Income**

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as bank deposit accounts. It relates to bank interest. Interest income is recognised using the effective interest method and income is recognised as the charity's right to receive payment is established.

The charity received a local government grant in respect of funding for phase one of its property redevelopment programme. Income from government grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

**Debtors**

Other debtors are recognised at the settlement amount due less any discount. Prepayments are valued at the amount prepaid.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

**Development costs**

Development costs incurred in relation to phase one of the redevelopment of freehold properties has been capitalised under freehold land and buildings on the basis that previous properties have been demolished and the site cleared for construction.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

**Governance costs**

Governance costs comprise all costs involving the public accountability of the charity and include the reimbursement of trustees' expenses and costs related to the statutory audit.

**Allocation and apportionment of costs**

The costs of the charity have been apportioned on the basis of the amount spent on the main activity of the charity which is the provision of housing services.

**Intangible assets**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer software re Website - over 5 years straight line

**Tangible fixed assets**

Freehold properties were reflected at valuation on 31 March 2014. Under FRS 102 the trustees have elected to reflect the freehold at deemed cost. Tangible fixed assets are now stated at cost or deemed cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Freehold properties, which are housing properties, are split between the structure and those major components which require periodic replacement. Replacement or restoration of such major components is capitalised and depreciated over the average estimated useful life, The War Memorial Village Derby's asset management strategy and the requirements of the Decent Homes Standard.



## THE WAR MEMORIAL VILLAGE-DERBY

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

---

#### 2. ACCOUNTING POLICIES - continued

##### Tangible fixed assets

Depreciation is charged over the expected useful economic lives of each component as follows:

	Years
Structure	100
Roof	50
Windows and doors	30
Kitchens and bathrooms	25
Mechanical services	20
Heating and plumbing	25
Fit out costs	25

A transfer is made from the revaluation reserve to the income and expenditure account equal to the difference between depreciation for the year calculated on the basis of the historical cost and the actual depreciation charge which is calculated using the revalued amounts.

In addition, depreciation is provided at an annual rate on the following assets:

Improvements to property	4% straight line
Fixtures and fittings	20% straight line
Computer equipment	25% straight line

Assets under construction are shown under freehold properties but have not been depreciated.

##### Taxation

The charity is exempt from corporation tax on its charitable activities.

##### Fund accounting

The charity has both restricted and unrestricted funds. All funds are used to benefit and promote the charitable objects of the charity.

Unrestricted funds are general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each restricted fund is included in the notes to the financial statements.

##### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### 3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	5,523	6,624
Grants	<u>126,601</u>	<u>173,400</u>
	<u>132,124</u>	<u>180,024</u>

# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

### 3. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2021 £	2020 £
Derby City Council	<u>126,601</u>	<u>173,400</u>

The grant is in relation to phase one of the new build and has been given to provide new suitable homes that are fit for purpose and meet the current design requirements for wheelchair users enabling specialist housing.

### 4. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Fundraising events	-	770
Raffle	<u>-</u>	<u>311</u>
	<u>-</u>	<u>1,081</u>

Raffle prizes were all donated to the charity by local businesses and individuals. The trustees consider that it is impractical and potentially misleading to quantify the value of these donated goods.

### 5. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>114</u>	<u>1,801</u>

### 6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Rental income	Housing services	<u>211,758</u>	<u>222,651</u>

### 7. RAISING FUNDS

#### Other trading activities

	2021 £	2020 £
Licensing	20	20
Printing costs	-	271
Just Giving charges	216	216
Memory sticks	699	-
Social media costs	<u>343</u>	<u>-</u>
	<u>1,278</u>	<u>507</u>

### 8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Housing services	<u>233,341</u>	<u>3,600</u>	<u>236,941</u>

# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

### 9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Rates and water	561	160
Service costs	82,272	157,103
Grounds maintenance	16,596	10,144
Management fee	38,607	37,694
Rents	6,000	6,000
Insurance	6,488	7,579
Data processing	60	820
Printing, postage & stationery	122	818
General costs	30	1,034
Appeals and donations	2,194	1,100
70th celebrations	-	20,829
Bad debts	3,440	116
Internet hosting	450	-
Depreciation	59,424	58,101
Loss on sale of assets	257	-
Interest payable and similar charges	16,840	11,571
	<u>233,341</u>	<u>313,069</u>

### 10. SUPPORT COSTS

	Governance costs £
Housing services	<u>3,600</u>

Support costs, included in the above, are as follows:

#### Governance costs

	2021 Housing services £	2020 Total activities £
Trustees' expenses	-	397
Auditors' remuneration	3,200	3,120
Accountancy and legal fees	400	876
	<u>3,600</u>	<u>4,393</u>

### 11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	3,200	3,120
Depreciation - owned assets	57,324	56,002
Deficit on disposal of fixed assets	257	-
Computer software amortisation	<u>2,100</u>	<u>2,100</u>

# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

### 12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Two (2020: three) properties within the War Memorial Village Derby are let to the following trustees. The rents are commensurate with similar properties within the village.

Trustee	Annual rental 2021 £	Annual rental 2020 £
M Doyle	4,987	4,894
A Hibbert (to 30.04.19)	-	369
M Martin	5,150	5,057
Total	<u>10,137</u>	<u>10,320</u>

#### Trustees' expenses

	2021 £	2020 £
Trustees' expenses	<u>-</u>	<u>397</u>

Travelling expenses totalling £nil (2020: £397) were reimbursed to no (2020: two) trustees.

### 13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	6,624	173,400	180,024
<b>Charitable activities</b>			
Housing services	222,651	-	222,651
Other trading activities	1,081	-	1,081
Investment income	<u>1,801</u>	<u>-</u>	<u>1,801</u>
<b>Total</b>	<u>232,157</u>	<u>173,400</u>	<u>405,557</u>
<b>EXPENDITURE ON</b>			
Raising funds	507	-	507
<b>Charitable activities</b>			
Housing services	317,462	-	317,462
<b>Total</b>	<u>317,969</u>	<u>-</u>	<u>317,969</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>(85,812)</u>	<u>173,400</u>	<u>87,588</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	5,089,457	3,889	5,093,346
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>5,003,645</u>	<u>177,289</u>	<u>5,180,934</u>

# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

### 14. INTANGIBLE FIXED ASSETS

	Computer software £
<b>COST</b>	
At 1 April 2020 and 31 March 2021	<u>10,500</u>
<b>AMORTISATION</b>	
At 1 April 2020	2,100
Charge for year	<u>2,100</u>
At 31 March 2021	<u>4,200</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>6,300</u>
At 31 March 2020	<u>8,400</u>

### 15. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2020	5,369,428	42,470	16,883	2,815	5,431,596
Additions	662,157	-	1,730	562	664,449
Disposals	-	-	-	(399)	(399)
At 31 March 2021	<u>6,031,585</u>	<u>42,470</u>	<u>18,613</u>	<u>2,978</u>	<u>6,095,646</u>
<b>DEPRECIATION</b>					
At 1 April 2020	298,909	1,699	2,801	847	304,256
Charge for year	51,279	1,699	3,664	682	57,324
Eliminated on disposal	-	-	-	(142)	(142)
At 31 March 2021	<u>350,188</u>	<u>3,398</u>	<u>6,465</u>	<u>1,387</u>	<u>361,438</u>
<b>NET BOOK VALUE</b>					
At 31 March 2021	<u>5,681,397</u>	<u>39,072</u>	<u>12,148</u>	<u>1,591</u>	<u>5,734,208</u>
At 31 March 2020	<u>5,070,519</u>	<u>40,771</u>	<u>14,082</u>	<u>1,968</u>	<u>5,127,340</u>

Included in cost or valuation of land and buildings is freehold land of £2,525,547 (2020 - £2,525,547) which is not depreciated.

Freehold properties within The War Memorial Village Derby portfolio were valued by a firm of commercial property consultants and land agents as at 31 March 2014 in accordance with the RICS Valuation - Professional Standards on the basis of market value with vacant possession specific for Social Housing. On transition to FRS102 this valuation was elected as deemed cost for the asset portfolio.

The historical cost of housing properties less depreciation is £2,457,889 (2020: £1,836,809).

The cost of assets in relation to phase one of the War Memorial Village redevelopment amounting to £1,350,911 are included in additions to freehold land and buildings. They include planning costs, legal and professional fees, demolition costs and building costs. Depreciation has not been provided as the Practical Completion Certificate was only just completed by the year end.

# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

### 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	<u>84,584</u>	<u>17,546</u>

### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 19)	16,153	6,000
Other creditors	502,407	6,563
Accruals and deferred income	<u>20,361</u>	<u>11,840</u>
	<u>538,921</u>	<u>24,403</u>

Other creditors as at 31 March 2021 include final costs, including retentions, of phase 1 of the new build completed by the year end of £479,575.

### 18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 19)	<u>378,224</u>	<u>225,379</u>

### 19. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>16,153</u>	<u>6,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>69,414</u>	<u>48,081</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>308,810</u>	<u>177,298</u>

The bank loan is secured by a first legal charge dated 20 December 2019 over all freehold property known as land on the north side of Sinfin Road, Shelton Lock, Derby.

Bank loan terms of repayment are December 2039 and interest is payable at 2.75% above base rate on the principal amount. If this falls below 0% then the floor is 0%.

# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

### 20. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	<u>394,377</u>	<u>231,379</u>

### 21. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	1,252,390	(20,823)	10,202	1,241,769
Revaluation fund	<u>3,751,255</u>	<u>-</u>	<u>(10,202)</u>	<u>3,741,053</u>
	5,003,645	(20,823)	-	4,982,822
<b>Restricted funds</b>				
Welfare fund	3,889	-	-	3,889
Property redevelopment	<u>173,400</u>	<u>126,600</u>	<u>-</u>	<u>300,000</u>
	177,289	126,600	-	303,889
<b>TOTAL FUNDS</b>	<u>5,180,934</u>	<u>105,777</u>	<u>-</u>	<u>5,286,711</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	217,396	(238,219)	(20,823)
<b>Restricted funds</b>			
Property redevelopment	<u>126,600</u>	<u>-</u>	<u>126,600</u>
<b>TOTAL FUNDS</b>	<u>343,996</u>	<u>(238,219)</u>	<u>105,777</u>

#### Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
<b>Unrestricted funds</b>				
General fund	1,328,000	(85,812)	10,202	1,252,390
Revaluation fund	<u>3,761,457</u>	<u>-</u>	<u>(10,202)</u>	<u>3,751,255</u>
	5,089,457	(85,812)	-	5,003,645
<b>Restricted funds</b>				
Welfare fund	3,889	-	-	3,889
Property redevelopment	<u>-</u>	<u>173,400</u>	<u>-</u>	<u>173,400</u>
	3,889	173,400	-	177,289
<b>TOTAL FUNDS</b>	<u>5,093,346</u>	<u>87,588</u>	<u>-</u>	<u>5,180,934</u>



# THE WAR MEMORIAL VILLAGE-DERBY

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

### 21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	232,157	(317,969)	(85,812)
<b>Restricted funds</b>			
Property redevelopment	173,400	-	173,400
<b>TOTAL FUNDS</b>	<u>405,557</u>	<u>(317,969)</u>	<u>87,588</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>				
General fund	1,328,000	(106,635)	20,404	1,241,769
Revaluation fund	<u>3,761,457</u>	<u>-</u>	<u>(20,404)</u>	<u>3,741,053</u>
	5,089,457	(106,635)	-	4,982,822
<b>Restricted funds</b>				
Welfare fund	3,889	-	-	3,889
Property redevelopment	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
	<u>3,889</u>	<u>300,000</u>	<u>-</u>	<u>303,889</u>
<b>TOTAL FUNDS</b>	<u>5,093,346</u>	<u>193,365</u>	<u>-</u>	<u>5,286,711</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	449,553	(556,188)	(106,635)
<b>Restricted funds</b>			
Property redevelopment	300,000	-	300,000
<b>TOTAL FUNDS</b>	<u>749,553</u>	<u>(556,188)</u>	<u>193,365</u>

Restricted funds comprise:

#### Welfare fund

Relates to a donation from the Royal British Legion Allenton being a small relief fund for the welfare of disadvantaged servicemen and ex- servicemen.

#### Redevelopment fund

The fund relates to the allocation of Right to Buy receipts as grant funding from Derby City Council. The grant is for the replacement of unsuitable properties and the provision of new homes.

## THE WAR MEMORIAL VILLAGE-DERBY

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

---

#### 21. MOVEMENT IN FUNDS - continued

##### Transfers between funds

A transfer is made from the revaluation reserve to the income and expenditure account equal to the difference between the depreciation charge for the year calculated on the basis of historical cost and the actual depreciation charge which is calculated using the revalued amounts.

#### 22. CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for in the financial statements	-	553,000

#### 23. OTHER FINANCIAL COMMITMENTS

As at 31 March 2021 the charity had financial commitments of £78,000 (2020: £84,000) in respect of rents on leasehold properties. The commitment represents rents for the term of the lease which expires in 2034.

#### 24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

#### 25. ULTIMATE CONTROLLING PARTY

The charitable company is controlled by its Board of Trustees.