

06608621

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Annual Report and Financial Statements for the year ended

31 March 2012

Company Registration Number: 06608621

Registered Charity Number: 1134897

Registered Office:

**25 Dairymoor
Wickham
Fareham
Hampshire
PO17 5JR**

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DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 March 2012

Reference and administrative details of the charity, its directors and advisors

Charity Name	Wickham Community Land Trust
Charity Registration Number:	1134897
Company Registration Number:	06608621
Registered Office and operational address:	25 Dairy Moor, Wickham, Hampshire, PO17 5JR
Correspondence address:	P O Box 652, Fareham, Hants, PO14 9LB

Board of Directors

Mr N. A. Holladay	Chairman
Mr G S Phillpotts	Vice Chairman
Mr T D J Foote	Financial Management Team
Mrs C L Foote	Financial Management Team
Mrs J M Lucas	Secretary

Mr E Fitzgerald
The Reverend E A Groves
Mr D R Thompson

Secretary:
Mrs J M Lucas

Bankers NatWest, 52 West Street, Fareham, Hants PO16 0JX

Legal Advisers: Cobbetts LLP, No 1 Whitehall Riverside, Leeds, LS1 4BN
Cobbetts LLP, 58 Mosley Street, Manchester, M2 3HZ

Hon. Adviser Mr A. R. Robinson, Diocesan Secretary, Diocese of Winchester

STRUCTURE, GOVERNANCE AND MANAGEMENT

Wickham Community Land Trust (WCLT) was registered in England and Wales as a Company Limited by Guarantee with charitable aims on 2nd June 2008, with the governing documents being Memorandum and Articles of Association

WCLT was registered as a charity on 12th March 2010.

WCLT was registered as a Non-profit private registered provider of social housing with the Tenants Service Authority (now Homes & Communities Agency) on 7th February, 2012.

Director Induction and Training

Directors are provided with a Trustee Role Description and asked to sign a Trustee Code of Conduct. All directors are required to complete an annual Register of Interests. All directors have a copy of the Charity Commission publication 'The Essential Trustee: what you need to know'.

Day to Day Management

The day to day management of WCLT is undertaken by the Chairman and Secretary, with involvement of the Financial Team where relevant, and that of other directors relevant to their skills and role and as per actions agreed at meetings. Directors are regularly updated at the board meetings and all major and policy decisions are taken by the board.

WCLT has no employees. All work is undertaken by directors on a voluntary basis.

OBJECTIVES AND ACTIVITIES

Objectives

The charity's purposes are set out in the objects in the Company's Memorandum of Association as follows:

- The provision of social housing and housing to relieve financial hardship; and
- To promote such other charitable purposes as may from time to time be determined subject to the prior written consent of the Charity Commission

Wickham Community Land Trust is dedicated to the provision of affordable housing in Wickham to relieve the financial hardship of eligible beneficiaries living in the village, surrounding area or with employment in the area, holding the property for the long term public good and protecting it from the damaging effects of asset price inflation and speculation and thereby enabling the provision of affordable housing now and for subsequent generations.

We aim to:

- Have built residential homes suitable for intermediate housing;
- Fund the building of the properties so that, once completed, the accommodation can be made available at affordable rates, or

- Obtain existing properties suitable for intermediate housing,
- Manage the on-going movement of residents into and out of the properties as circumstances change in such manner as to ensure that the beneficiaries qualify to occupy them by virtue of their means and to maintain the affordable nature of the accommodation;
- Manage the homes and maintain ownership of them so that they remain a long term public benefit,
- Manage the business of the Trust in such manner as to cover costs and not for profit except as necessary to re-invest for maintenance of the properties;
- Retain the freehold of the properties in accordance with the charitable aims of Wickham Community Land Trust

Planned Benefits/Outcomes

The following benefits are identified as outcomes from the work of WCLT

- The relief of financial hardship for eligible beneficiaries by the provision of housing;
- An increase in housing stock available for affordable homes,
- A reduction in the number of those living in situations inadequate or unsuitable for their needs, regardless of their age, sex, marital status or any other differentiator,
- A reduction in the number of families living in overcrowded conditions by virtue of inability of young adults to find alternative affordable homes;
- A reduction in distances between home and workplace for people working in the area;
- Increased availability of local accommodation for key workers serving the local area,
- A reduction in the list of people seeking affordable housing in the area,
- A reduction in local barriers to housing,
- The retention of assets for public benefit, providing asset lock in the long term

Achievements and Performance

Our main objective for the year was to re-enter Project 1, the provision of 8 affordable houses in the village of Wickham by arranging the finance to purchase the homes once they were built

During the year, WCLT had sought to achieve a number of targets:

Establish sound financial backing for Project 1 to enable the purchase from Hyde Housing Group of 8 new homes in Houghton Gardens, Wickham

- 1 Venturesome (an arm of Charities Aid Foundation) Agreed to convert its earlier offer of a £200,000 development facility to £205,000 bridging loan
- 2 Triodos Bank withdrew during the year from its earlier commitment to fund 66% of development. WCLT arranged alternative funding (subject to contract) through a combination of loan monies from the Charity Bank of £135,440 repayable over 25 years and from Parity Trust, see 3 below
- 3 Portsmouth Area Regeneration Trust (Parity) (formerly known as South Coast Money Line (SCML)) maintained their interest in investing in Wickham Community Land Trust's affordable homes

project and agreed, subject to contract, a combination of two loans: a £75,000/25 year loan and a £107,600/13 year loan

- 4 Homes & Communities Agency (HCA): HCA proved very supportive of the Land Trust's aims and offered £40,000 grant per unit (total £320,000) for project 1 in its initial form payable in the first instance to Hyde Housing Group as agent. The HCA agreed to maintain this arrangement and to top this up with a further one-off, single grant (subject to contract) totalling £50,000, making a total of £370,000 to be allocated to WCLT as a deduction from the purchase price to be paid by WCLT to Hyde to enable its purchase of eight homes on the new development once they were completed.
- 5 In subsequent negotiations WCLT was pleased to gain the offer of £50,000 long term loan from Winchester City Council and from Hyde Group of £30,288, both 25 year term loans and both subject to contract. WCLT is very grateful for this support
- 6 Bridging Finance: in addition to the bridging finance from CAF referred to at 1 above WCLT has been pleased to accept offers (subject to contract) of bridging finance of £100,000 from The Charity Bank and £103,000 from Parity Trust. These sums have been agreed for the purpose of supporting WCLT's aim to allocate 4 of the new homes to shared ownership with the bridging monies being repayable on completion of those sales
- 7 Community Fundraising: Once the building work was completed in Houghton Gardens it was WCLT's intention to raise money in the community once again. Appeals were made and at the balance sheet date several donation pledges by local people had been made that translated into a cash gain post year end.

Development of Houghton Gardens

Hyde Martlet developed the site of Houghton Gardens, building 20 homes to Sustainable Code 3 and Lifetime Homes Design. Although Hyde Martlet was the developer and WCLT's role minimal at this stage, WCLT's relationship with them remained strong and Hyde Martlet involved WCLT at various stages throughout the development.

Negotiate and work with our partner in development

The working relationship between WCLT and our development partner, Hyde Martlet, has remained strong throughout the year.

Retain the support of Winchester City Council

The City Council's support for WCLT's project deepened this year with their working to produce a Deed of Variation to amend the original Section 106 Agreement and the provision of loan monies as referred to above

Receive sound and relevant legal advice

WCLT has been pleased with its decision last year to appoint Cobbetts LLP.

Definitive costs for the Project

With Hyde Martlet taking the development forward, once the buildings rose above ground level the costs of the project became easier to define with accuracy and, as planned, WCLT and Hyde Housing were able to start negotiations at the half year point as to what the final purchase price would be for WCLT to purchase 8 of the homes on the site once they were completed

OUTCOMES

WCLT Purchase of Eight Homes in Houghton Gardens, Wickham

The latter half of this financial year was devoted to finalising agreements with Winchester City Council regarding variations to the original Section 106 agreement, finalising the terms of the purchase agreement with the Hyde Housing Group, loans from WCLT's lenders and the allocation of HCA grant from Hyde to WCLT.

Events subsequent to report period:

WCLT has completed the financial contract described in this report and made the purchase of the properties.

Going concern

From review of the Balance Sheet on page 12, it can be seen that WCLT is in deficit WCLT has liabilities in excess of assets of £12,275 (2011 £5,840)

This deficit was determined on the basis that WCLT would achieve its target of re-entering the project

At the date of signing these Financial Statements and as discussed on pages 3, 4 and 5 (above), WCLT has succeeded in re-entering the project since the balance sheet date. Definitive costs were provided for the project in Houghton Gardens and the realisation of grant and loan monies and voluntary donations combined in such a way as to enable WCLT to go forward with the project. The charity has a business model that generates net incoming resources that will support the repayment of all liabilities.

Ensuring we still deliver our aims

In monitoring and reviewing performance for this financial year, directors are satisfied that WCLT retains a high degree of focus on its aim to provide housing for the relief of financial need.

While the year's activities have focused on negotiation of financial arrangements to enable the Trust to provide affordable housing, other activities have concentrated on developing further processes and procedures, lease arrangements and compiling a candidate database of applicants eligible to occupy the homes once purchase completion was achieved.

At all times during the negotiations WCLT remained watchful of risk and will continue to monitor this through its risk management assessments.

How our activities deliver public benefit

WCLT's Monitoring and Review Policy requires that its work be directed by contemporary evidence of public need. Although the last Updated Housing Needs Survey was completed in 2009, the current level of registrations with the zone agent together with the response to a joint Pre-Allocation Event

with Winchester City Council in February 2012, new enquiries from potential beneficiaries, the continued interest of those on the potential applicants list, all confirm that the need remains and the homes will be meeting a clear charitable need in the local area of benefit

In drawing up WCLT's Allocation Policy, Application Form and related tools, directors have established criteria based on WCLT's charitable objects and fair processes to identify qualifying beneficiaries.

FINANCIAL REVIEW

WCLT has continued to be cautious with its expenditure this year. Expenditure in this financial year has been predominantly on administration, insurance, and legal costs

All payments are governed by WCLT's Financial Controls Policy and any repayment of expenses to directors is made according to the regulations laid down in that policy

Set up costs of £nil (2011: £1,754) have been incurred on behalf of Wickham Community Development Fund Limited (WCDF). As at the prior year end, WCDF owed WCLT £3,649, however due to the failed share issue in 2010, this was fully provided for. The Fund has now formally requested that these costs be written off as part of its wind-up process (see also notes 3 and 9 to the accounts).

Reserves

In line with Charity Commission guidance, WCLT has a Reserves Policy which obliges it to hold reserves to safeguard the Trust's project(s) in the event of delays in the receipt of grants, other funding or income generation

The Board has reviewed this Reserves Policy and retained it unchanged at present. During the forthcoming year, as WCLT moves from a pre-purchase phase into post-purchase income generating activity, this policy will be reviewed again. WCLT is in a deficit position as at the end of the current year (2011: deficit position), although it holds cash and cash equivalents of £26,219 (2011: £23,636). For more information regarding the deficit position, please see the 'Going concern' section of the directors' report above

Management of Risk

The directors have identified the major risks to which WCLT is exposed and discussed how to respond to those risks. Decisions on how best to manage or mitigate those risks, or share or insure against them, have been translated into appropriate actions or procedures and WCLT has recorded these decisions in a Management of Risk Register which will be updated at least annually.

With regard to WCLT's re-entry into Project 1, the directors devised a mechanism for assessing and reviewing the associated risks in the Project's Risk Appraisal and Calculation document and will keep those risks under review beyond completion of the purchase into the project's next phase of consolidation.

Directors have agreed a Health and Safety Policy and conducted a Risk Assessment of WCLT's current activities. Once WCLT acquires the new homes that part of the Health and Safety Policy which relates to WCLT homes will be put into effect.

Insurance

WCLT has taken out Trustee Indemnity Insurance and Public and Products Liability Insurance. Property Owners' Liability Insurance, Buildings and Rent Insurance was put in place on 12th July, 2012, ahead of completing the purchase

PLANS FOR FUTURE PERIODS

For the next financial year the aims of WCLT are to

1. Ensure the completion of financing negotiations, concluding contracts and purchasing the 8 homes
2. Move tenants into 4 homes for rent and sell 50% equity in the 4 shared ownership homes
3. Manage the rental process and maintenance obligations placed on WCLT as landlord

Conclusion

After slow but steady progress towards WCLT's goals for much of the year, WCLT stands on the threshold of achieving its goals regarding Project 1. Events subsequent to the year-end demonstrate that this goal was realistic and realisable.

Sincere thanks are due to the directors who have given their time and expertise generously and voluntarily to push WCLT's goals forward. The Company is grateful that all directors are keen to continue into next financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2012 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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.

Directors of WCLT are directors for the purpose of company law and trustees for the purpose of charity law

By order of the board,

A handwritten signature in black ink, appearing to read 'J. Lucas', with a horizontal line drawn underneath the name.

Judith Lucas
Director

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating the income & expenditure account)

For the year ended 31 March 2012

	Note	Unrestricted & Total Funds 2012 £	Unrestricted & Total Funds 2011 £
Incoming Resources	1		
Voluntary Income:			
Gifts and donations		-	26
Investment Income			
Bank Interest		230	198
Total incoming resources		230	224
Resources Expended	1		
Cost of generating voluntary income		-	(3,649)
Charitable expenditure		(5,709)	(4,273)
Governance costs		(956)	(2,507)
Total Resources Expended		(6,665)	(10,429)
Net Expenditure for the Year		(6,435)	(10,205)
Net outgoing resources		(6,435)	(10,205)
Total funds brought forward at 1 April		(5,840)	4,365
Total deficit carried forward at 31 March		(12,275)	(5,840)

There are no recognised gains and losses other than those in the statement of financial activities.
Therefore no statement of total recognised gains and losses has been prepared

For Companies Act purposes, turnover was £nil (2010: £nil) and total expenditure (excluding interest) is £6,665 (2011: £10,429). All the above amounts relate to continuing activities.

The notes on pages 11 to 14 form part of these accounts

Balance Sheet

Balance sheet as at 31 March 2012

	Note	31 March 2012 £	31 March 2011 £
Current assets			
Debtors	3	6	12,086
Prepaid expenses	4	-	403
Cash and cash equivalents		26,219	23,636
		26,225	36,125
Creditors – Amounts falling due within one year	5	(38,500)	(41,965)
Net current liabilities		(12,275)	(5,840)
Net liabilities		(12,275)	(5,840)
Funds			
Unrestricted deficit		(12,275)	(5,840)
Total Deficit		(12,275)	(5,840)

For the year ending 31st March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006

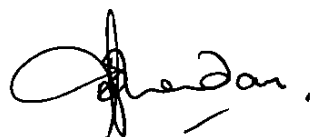
Directors' responsibilities,

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006,
- The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved and authorised for issue by the Directors on

September 17th, 2012 and are signed on their behalf by



Nicol Holladay
Chairman & Director



Judith Lucas
Secretary & Director

The notes on pages 11 to 14 form part of these financial statements

Notes to the Financial Statements

1. Accounting policies

a) *Basis of preparation*

The financial statements have been prepared

- under the historic cost convention,
- on the going concern basis;
- in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities: Statement of recommended practice", published in March 2005 (revised May 2008),
- applicable UK Generally Accepted Accounting Principles (UK GAAP) accounting standards,
- and Companies Acts 1985 and 2006

The principal accounting policies adopted in the preparation of the financial statements are set out below

As the Company is a charity, the wording of the statutory formats required by the Companies Act 1985 have been appropriately amended in order to give a true and fair view. This is in accordance with Paragraph 3 (3) of Part 1, Section A of Schedule 4 to the Companies Act 1985

b) *Funds structure*

All funds held by the charity are unrestricted general funds. These are funds that can be used in accordance with the objects of the charity at the discretion of the directors

c) *Incoming resources*

Income in the current and prior years includes interest receivable in relation to interest on balances held with banks. Interest is recognised on an accruals basis. During the prior year, the charity received a charitable donation

d) *Resources expended*

Expenditure is recognised on an accruals basis

Expenditure is directly categorised as either expenditure on charitable activities, in generating funds or maintaining governance of the Company. There is no general allocation of costs

Charitable activities includes all expenditure related to the development of affordable housing. This includes planning costs, legal costs associated with creating contracts, etc

Costs from generating funds relate to the cost of fund raising. Included within these costs are the costs of marketing WCLT's activities to the local community in order to encourage charitable donations. Also included in the prior year are the accrued interest costs on a development loan (£7,500). During negotiations in Spring 2012 the CLT Fund (administered by CAF) agreed to extend the period of repayment and under revised terms dated 4 April 2012 both capital and interest became repayable on completion of WCLT's fourth shared ownership property

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These include costs associated with company administration and legal fees incurred in obtaining charity registration.

1. Accounting policies (*continued*)

No further analysis of the resources expended is given within the notes to the accounts. Given the small values expended, it is considered by the directors that any further analysis will not provide useful information to the user

2. Turnover

Turnover is the amount receivable for the provision of goods and services falling within the Company's ordinary activities, i.e. principally the provision of affordable housing

The Company did not generate any turnover during the year.

3. Debtors

	31 March 2012 £	31 March 2011 £
Other debtors	6	6
Expenses recoverable from other parties	-	12,080
Set-up costs recoverable from related parties (note 9)	-	-
	6	12,086

During the prior year, the Company paid for costs in relation to the design and development of the current development location. At the current year end £nil (2011: £12,080) was outstanding from other parties

4. Prepaid expenses

	31 March 2012 £	31 March 2011 £
Future development costs paid for in advance	-	-
Insurance costs	-	403
	-	403

5. Creditors – Amounts falling due within one year

	31 March 2012 £	31 March 2011 £
Bank loans (principal)	30,000	30,000
Other creditors	-	2,411
Accrued interest charges in relation to bank loans	7,500	7,500
Accrued expenses	1,000	2,054
	38,500	41,965

6. Company limited by guarantee

Wickham Community Land Trust is a company limited by guarantee and has no share capital. As at 31 March 2012 there were 8 (eight) members. Every member promises, if the Company is wound-up, to contribute such sum (not exceeding £10) as may be demanded of him or her towards any deficit.

7. Director Information

No remuneration was paid to the directors during the year (2011: £nil).

8. Capital commitments

At 31st March 2012 there were no capital commitments (2011: none)

9. Related party transactions

Wickham Community Development Fund

Wickham Community Development Fund ('WCDF'), company registration number 30654R, was an Industrial and Provident Society, and was wound-up subsequent to the WCLT balance sheet date.

WCDF was a not-for-profit organisation whose Rules were drawn up to comply with regulations determined by the Financial Services Authority (FSA).

WCDF's aims were broader than those of the Company, and WCDF had planned to accomplish a range of activities in the fullness of time. However, during the prior year its main aim was raising funds through a share issue, to part-finance the current development project of the Company.

The current management board of WCDF was a subset of the Company's board, and consequently WCDF is defined as a Related Party in accordance with the SORP and Accounting Standard FRS 8, "Related Party Disclosures".

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees Report & Financial Statements for the year ended 31 March 2012

Company Reg No: 06608621

Charity Number 1134897

9. Related party transactions *(continued)*

During the year, the Company incurred set-up costs on behalf of WCDF totalling £nil (2011: £1,754). These costs were expected to be repaid by WCDF to the Company following a share issue by WCDF. However, that share issue did not proceed and therefore the directors duly provided against the amounts owing in the prior year and have accepted a formal request to write off the balance subsequently, as part of the WCDF wind-up process. The balance in debtors (note 3) is therefore £nil (2011: £nil)