

06608621

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Annual Report and Financial Statements for the year ended

31 March 2016

Company Registration Number: 06608621

Registered Charity Number: 1134897

Registered Office:

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

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Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

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DIRECTORS' REPORT

The Directors present their annual report and the financial statements for the year ended 31 March 2016.

1. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Charity Name:	Wickham Community Land Trust
Charity Registration Number:	1134897
HCA Registered Provider:	4692
Company Registration Number:	06608621
Registered Office and operational address:	25 Dairymoor, 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
The Reverend A. J. Smith	Finance Director
Mrs. J.M. Lucas	
Cllr. T. Evans	WCC nominated
Mr. E. Fitzgerald	
The Reverend E.A. Groves	
Mr. D.R. Thompson	

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

Legal Advisers: DWF LLP, Bridgewater Place, Water Lane, Leeds, LS11 5DY

Auditors: Rothmans Audit LLP

Chartered Surveyors: Chandler Hawkins (Portsmouth)

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

Managing Agent: Bishops Independent Estate and Lettings Agents, Kates Korner, High Street, Bishop's Waltham, SO32 1AB.

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2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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.

Recruitment and appointment of new trustees

Subscribers to the Memorandum and Articles of Association were the first members of the Charity. Membership is open to other individuals or organisations who apply to the Charity in the form required by the Directors and who are approved by the Directors.

There is one class of membership.

Membership includes two nominees: Reverend Elizabeth Groves on behalf of the United Benefice of Shedfield and Wickham and Cllr. Thérèse Evans on behalf of Winchester City Council. Other bodies external to the charity which are entitled to appoint trustees but which have opted, for the time being, not to do so are Wickham Parish Council and Portsmouth Church of England Diocese.

Geoffrey Phillpotts and David Thompson resigned in September 2015 and, having signified their willingness to stand, were each re-elected for a further term of three years.

Any local authority appointments should be maintained at less than 20% of the total board.

Director Induction and Training

Directors are provided with a Trustee Role Description and asked to sign a Trustee Code of Conduct. In accordance with our Conflicts of Interest Policy all Directors are required to complete annually a Register of Interests. All Directors have a copy of the Charity Commission publication 'The Essential Trustee: what you need to know'. Updates in the Charity Commission's Newsletters are disseminated to Directors during the year.

Suitable opportunities for development through attending courses, conferences or seminars are identified and supported at Board level.

Retirement of Directors/Trustees

No trustees have retired during this financial period.

Day to Day Management

The day to day management of WCLT is undertaken by the Chairman, Nicol Holladay, the Director with secretarial responsibilities, Judith Lucas, and the Vice Chairman, Geoffrey Phillpotts, with involvement of the Financial Director where relevant, and that of other Directors relevant to their skills and roles and as per actions agreed at meetings. Directors are regularly updated on current issues 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.

Other charities/organisations with which WCLT has co-operated in pursuit of its charitable aims

Homes & Communities Agency (HCA)

HCA Grant to WCLT emanated from the National Affordable Housing Programme 2008/2011. As a Registered Provider WCLT reports to and receives advice from HCA and submits its Statistical Data Return under NRosh+.

WCLT, through its own policy documents and processes, both seeks to meet the HCA's Economic Standards and to reflect the HCA's Consumer Standards. These underpin WCLT's operations and throughout this financial period WCLT sought to maintain and review its performance against these operating standards.

WCLT has kept abreast of revisions to the HCA's Regulatory Framework and the resulting changes which came into effect in April 2015.

WCLT is a non-profit private provider of social housing and, in terms of HCA regulation, counts as a small provider. See also 4 **Achievements and Performance** below.

Charity Commission

WCLT submits an Annual Return to the Charity Commission and is in receipt of its informative Quarterly Newsletters.

Winchester City Council (WCC)

Cllr Therese Evans remained WCC's nominee on the board during this financial year.

WCLT continues to report to Winchester City Council and provides it with allocation data on the homes so that together with the zone agent, Radian Group (HomesinHants/Help to Buy South - see Radian Group below), an up to date picture of housing need in the area can be maintained. Representatives of WCLT have also contributed to Winchester's Local Plan Part 2 as it relates to forward planning for this village.

Hyde Housing Association

Owning a shared site with Hyde Housing Association makes communication important. The working relationship between WCLT and Hyde's local housing management team is in essence co-operative and effective. Communication with Hyde Group's centralised departments is more difficult, however, as the size of their organisation seems to lead to poor response times. There are two outstanding issues which await resolution and action on their part. See also 3 **(Objectives and Activities: Legal)** and 4 **(Achievements and Performance: Factors outside the control of WCLT)** below.

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Radian Group

WCLT is party to a service level agreement with the Local HomeBuy Agent, Radian, for housing in Winchester City's district. As part of this, their online property website for the area, originally HomesinHants and now "HelptoBuySouth", advertises WCLT's affordable homes, puts potential applicants in touch with WCLT and notifies WCLT of the waiting list for homes in the area. In turn WCLT provides Radian with WCLT's allocation data.

Wickham Parish Council

WCLT maintains its links with Wickham Parish Council with communications with the Clerk to the Parish Council and individual councillors.

National Community Land Trust (NCLT)

WCLT is a member of the National CLT Network and both benefits from this membership and actively supports the NCLT in its work.

Information Commissioner and the Housing Ombudsman

WCLT is registered with the former in respect of Data Protection and, as a provider of social housing, is registered with the Housing Ombudsman Service.

Management of Risk

Regular risk assessment is embedded into WCLT's processes and features on the agenda of each Board meeting. By identifying and calculating operational and strategic risk WCLT seeks to manage its risks as effectively as possible.

Early in this financial year these appraisals focussed on the completion of Remedial Work. WCLT is pleased to report that this work was successfully completed in the first quarter of the financial year and enabled WCLT to record an improvement in its risk ratings.

In Quarter 2 - 4 WCLT risk appraisals reflected concerns over the implications for WCLT of government initiatives over Right to Buy (Housing and Planning Bill) and the potential requirement to decrease social rents over a period of four years (Welfare Reform and Work Bill). WCLT is pleased to report that a voluntary arrangement agreed with government releases WCLT from obligations under Right to Buy and exemptions have been granted to CLTs regarding the four year reduction of social rents. See 3 (**Objectives and Activities**) below. These developments have again provided WCLT with the opportunity to improve its risk ratings in Q1 of the next financial year.

Insurance

WCLT's cover provides for Directors' and Officers' Liability Insurance, Public and Products Liability Insurance, Property Owners' Liability Insurance and Buildings Insurance.

After reviewing its insurance in August, 2015 WCLT extended its insurance arrangements in September 2015 to cover Alternative Accommodation in the event that residents need to be housed elsewhere as a result of an insurable event.

WCLT made a successful claim in Quarter 2 for flood damage to one of its shared ownership properties, settling the excess in August 2015. There was a similarly successful and related claim for Loss of Income which was settled in October 2015.

WCLT holds NHBC certification for all eight properties.

3. 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.

Main objectives for the financial year

- 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, as a not for profit organisation, 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.
- Protect the charity's property assets by ensuring outstanding remedial defects are finally and satisfactorily resolved.
- Protect the interests of residents (both tenants and shared owners) in achieving resolution of those building defects
- Work to alleviate or mitigate the potential impact of government initiatives in respect of Right to Buy and Rent Reduction
- Protect the housing assets of the charity for the long-term
- Explore the possibility of WCLT's ability to further meet its charitable objectives through the provision of a limited number of additional affordable homes under Winchester City's Local Plan Part 2.

Strategies for achieving the stated objectives

- Manage the homes in such a way as meets WCLT's own Home Standard
- Financially manage the homes in accordance with WCLT's Value for Money Standard
- Manage the movement of qualifying applicants into rental homes
- Manage the advertising, selection of and sales to qualifying applicants for any shared ownership home which may become available.

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- Keep open channels of communication with our development partner, Hyde Housing, and building contractor to ensure remedial work is finally completed.
- Maintain liaison with other agencies and professional bodies in respect of remedial work.
- Engage in and support the work of the National CLT Network's negotiation with government in respect of proposed legislation on Right to Buy and Rent Reduction. (See 2 above: **Management of Risk**)
- Engage in exploratory discussions with Winchester City Council and potential development partners re the possibility of WCLT involvement in one of two new developments in Wickham.
- Instigate studies of demand and support for and viability and risk of involvement in a further development project.

Activities

WCLT employs a Managing Agent for the rental properties. The selection process remains under the control of WCLT but once that process is complete the Managing Agent deals with the practicalities. WCLT remains closely involved in management issues and directly manages the shared ownership properties.

WCLT retained control of any matters which related to remedial defects until their completion in Quarter 1.

Legal

Tenancy Agreements are based on the National Housing Federation model for a five year fixed term, preceded by a one year probationary period.

Shared Ownership Agreements are based on the Homes and Communities Agency Model Lease for Protected Areas, with stair-casing restricted to 80%.

Change of Legal Advisers

WCLT Board has made the decision to change its legal advisers and all our funders have consented to this, bar Hyde Group whose consent we await. (see also 2: Hyde Housing Association above) WCLT expects the transfer of its portfolio to be completed in the subsequent reporting period.

4. ACHIEVEMENTS AND PERFORMANCE

With all shared ownership properties occupied by the original buyers and three of the rental homes well into their overall six year leases there has been little movement in and out of our homes this year.

One rental property (one-bed flat) was vacated in the third quarter of the financial year leading to a void period of approximately six weeks.

Quantitative and Qualitative Information

- One new rental household moved into the recently vacated flat.
- Because of the change in size of the new household the total number of residents in all properties at the end of the financial year sits at 21 individuals, including children. (Maximum capacity for these homes is 25 persons.)

- These allocations match the objectives WCLT set itself and meet the Public Benefits/Outcomes set out in Section 6 below.

Meeting HCA Standards

Directors have used the HCA's Economic and Consumer Standards as points of reference for self-regulation throughout the period and to guide WCLT's service delivery in this financial year, as follows:

Governance and Financial Viability Standard

WCLT is mindful of its position as a registered provider and its duty to deliver its founding objectives and, furthermore, to protect its social housing assets, to have in place effective risk management and controls, to comply with all relevant law, its own governing documents and regulatory requirements and to be accountable to its tenants, stakeholders and the regulator.

WCLT manages its resources prudently to ensure its viability and actively assesses and manages risk. It maintains an Asset Register.

Code of Practice

In line with the HCA's Code of Practice WCLT adopted its own Code of Governance and Financial Viability in May 2015 which the Board deemed appropriate to the organisation's size and role as a non profit registered provider. This sets out the fundamental values which underpin its operation and against which the Board can assess the effectiveness of its governance arrangements at least once a year.

As part of its review process the Board is satisfied that WCLT's consideration of risk is sufficiently informed to encompass consideration of both internal and external matters and that WCLT has complied with regulatory requirements to date and will continue to do so in the foreseeable future.

WCLT has considered its adherence with new legislation and certifies its compliance with the HCA's Governance and Financial Viability Standard.

Other Economic Standards of the HCA

- Value for Money Standard: WCLT adopted its own Value for Money Standard in 2011 and the terms of this document underpin its performance. In its fourth year as a landlord, both in allocating its homes and managing its properties, WCLT has provided quality homes to its tenants and cost-effective, efficient and prompt service. WCLT continues to review its performance against its Value for Money Standard.
- Rent Standard: whilst WCLT is exempt from this standard through its provision of housing for intermediate rent, the Board uses its best endeavours to apply this standard and has abided by the Guideline Limit in its rent review, as recommended in the standard.

HCA's Four Consumer Standards

- Home Standard
 - i) Quality of accommodation: WCLT's 8 homes meet the Government's Decent Homes requirement and also Sustainability Code 3 and Lifetime Homes criteria.

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- ii) Repairs and Maintenance: WCLT was pro-active in the previous financial year pursuing remedial work and saw the successful completion of this work in Quarter 1 of this financial year.
 - iii) WCLT is responsive in dealing with matters which now fall into the general category of ongoing repair and maintenance.
 - iv) Auxiliary Aids/Reasonable Adjustments: sensory aids, which had been installed in one property with WCLT's permission, were reclaimed by Adult Services when the recipient tenant moved out in November 2015.
 - v) See also **Activities** in 3 above and **Factors outside the control of WCLT** below.
- Tenant Involvement and Empowerment Standard
WCLT convened a meeting with residents on 9th November, 2015 to disseminate information, explain charges and to capture residents' views and respond to any of their concerns. Residents were well-represented. WCLT's Managing Agent also visits tenants in their homes. All tenant reviews to date have been very positive and feedback in respect of WCLT performance has also been positive. WCLT will continue to take account of tenants' views in monitoring its performance as a landlord.
 - Neighbourhood and Community Standard
WCLT works to good effect with Hyde Group and Wickham Parish Council in respect of grounds maintenance, street lighting and community issues and with Winchester City Council and Wickham Festival organisers.
 - Tenancy Standard Although as a provider of intermediate homes WCLT is exempt from this standard WCLT still finds useful its current tenancy standard because it is a useful guide and operational reference point in relation to tenancies and tenancy review processes.

Fundraising activities

WCLT has not undertaken any fundraising in the course of this financial year.

Factors outside the control of WCLT

- Remedial Defects: With the previous year's report focussing on remedial work WCLT is pleased to report its successful conclusion in Quarter 1 of this financial year. **Expenditure:** See 5 below.
- Re-housing of applicants by Winchester City Council: WCLT is pleased to report that the local authority re-housed an over-crowded household in Quarter 3.
- Estate Charge: Hyde Housing was due to issue their invoice for the period 1 April 2013 – 31 March 2014 in September 2014 but it is still not forthcoming. Key contacts within Hyde took up the matter in this financial year but, with their departure from post, without resolution. WCLT continues to pursue the necessary invoice and a satisfactory service level agreement. Meanwhile, the obligation to meet these charges stands and WCLT therefore continues to provide for the expected cost in its accounts. (See also Hyde Housing Association in 2 above)
- Government initiatives in respect of Right to Buy (Housing and Planning Bill) and the potential requirement to decrease social rents over a period of four years (Welfare Reform and Work Bill) caused some concern during the year. WCLT is pleased to report that its properties are confirmed as exempt from the four year reduction of social rents as they are intermediate rented properties. Exemptions have also been granted to all CLTs for one year. A voluntary arrangement has for the present lifted WCLT concerns in respect of Right to Buy (RTB). However WCLT would prefer that

the terms of the voluntary arrangement in respect of RTB be formally adopted within the legislation and supports the National CLT Network's efforts to achieve this.

5. FINANCIAL REVIEW

With the introduction of a new Statement of Recommended Practice for social housing providers – The Housing SORP 2014, for financial years beginning on or after 1 January 2015, the financial statements have been prepared in some respects on a different basis to previous years in order to comply with the new SORP. Prior year figures have also been re-stated.

The main change is that whereas previously capital grant from the HCA was shown as a deduction from the cost of properties in the Balance Sheet, under the new SORP this grant has been reclassified as deferred income in the Balance Sheet with a proportion being taken each year to the Income and Expenditure account. As a corollary there has been a need to recalculate accumulated depreciation and the annual depreciation charge has increased. The net effect is to increase the surplus each year by a small amount.

The other changes introduced under SORP 2014 are to rename the Income and Expenditure account as the Statement of Comprehensive Income and to rename the Balance Sheet as the Statement of Financial Position. In addition we have included for the first time a Statement of Cash Flows.

The principal financial management policies in force are WCLT's Financial Controls Policy, Monitoring and Review Policy and WCLT's Reserves Policy. These policies are reviewed annually by the Directors.

Principal Funding Sources

1. Grants: no new grants were received in the period.
2. Loans: no new loans were taken out in the period

Existing loans, which WCLT continues to service as appropriate:

- Portsmouth Area Regeneration Trust
- Charity Bank (Loan monies)
- Winchester City Council
- Hyde Group

3. Donations: one donation of £120 in October 2015.

Other Income

1. Rental Income from the four Fixed Term Assured Tenancies has provided a steady income throughout the financial year. The void period relating to a one bedroom flat over the Christmas 2015/New Year 2016 period was approximately six weeks and is the reason that this income stream was slightly down on budget
2. Rental Income from shared ownership homes also provided a steady income.
3. WCLT levies certain monthly charges from their tenants:

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- i) Service charges for Maintenance and Sinking Fund together with an administrative and accounting costs fee
 - ii) Estate Charge for grounds maintenance undertaken by Hyde Housing and payable to them on invoice. There is a collection fee associated with this. See also **Factors outside control of WCLT in 4 above)**
 - iii) WCLT increased collections of Estate Charges in line with inflation with the new rate being payable from 1st November 2014.
 - iv) An insurance contribution from shared owners only.
4. As custodian of funds held on behalf of others WCLT has two Client Accounts into which to deposit sums related to i) and ii) above :
- i) Sums related to Service Charges and Estate Charges are paid into a current account.
 - ii) Contributions collected for Sinking Fund are placed in an interest-earning Business Reserve account.
 - iii) With the approval of residents in November 2015, WCLT drew down in Quarter 3 two sums for the period up to 31 March 2015 in respect of administration and accountancy: £116 for administration and accounting and £173 for collection fee.
5. With cautious budgeting for the year and prudent expenditure during the year we are pleased to record a surplus for the period of £5,249 (2015: £1,916, re-stated according to SORP 2014)

Expenditure

WCLT has continued to be cautious with its expenditure and at the end of the period was tracking closely the original financial model on the basis of which investors had made capital available. Expenditure in this financial year has been predominantly on administration, insurance and maintenance items. All expenditure was within the parameters of the budget for the year.

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.

In spite of WCLT's earlier concerns about the potential impact of defects, WCLT can report that there has been no detrimental impact on its finances through remedial work which concluded early in this financial period.

Investment

As part of the original loan terms with Charity Bank, WCLT has £8,209 in a Charity Bank Deposit Account. Charity Bank has been sufficiently satisfied with the soundness of WCLT's performance to lift this condition but WCLT chooses to retain this deposit.

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. This policy was reviewed in November, 2015 and will be reviewed annually. In line with the Reserves Policy the Trust held reserves of £71,804 at 31st March 2016.

Events subsequent to this report period

The two rent reviews, one for the rental properties and one for the shared ownership homes, were conducted in the last quarter of this report period, with implementation following in the subsequent reporting period.

WCLT has commissioned the installation of pressure control valves to cold supply in all its rental and shared ownership properties: work to take place in Quarters 1 & 2 of the next financial year. This is in response to the serious leak in one of the properties in summer 2015. Although advice is that this was an extremely unusual occurrence, bearing in mind that these properties are all timber-framed and take a long time to dry out after such an event, WCLT has deemed it prudent to undertake this work.

6. REPORTING PUBLIC BENEFIT

Providing identifiable benefit or benefits

Benefits identified include:

- Housing those who cannot afford from their own resources to buy or rent a home on the open market
- *The housing of those living in situations inadequate or unsuitable for their needs, regardless of their age, sex, marital status or any other differentiator;*
- The housing of families living in overcrowded conditions by virtue of inability of young adults to find alternative affordable homes;
- An increased number of households with connection to the village community now able to live within that community and to receive support from their families (e.g. childcare) or to provide support to family members who need help (e.g. to elderly relatives).
- The housing of key workers serving the local area
- Shorter journey times for those residents with work in the local area.

WCLT is not aware of any detriment or harm arising from the organisation's aims.

Benefit to a section of the public

The section of the public which continues to benefit from our work is made up of largely young households, in work but unable from their own resources to afford a home on the open market.

Eligibility for housing

Selection criteria for applicants include housing need, inability to afford property to buy or to rent on the open market, the ability to meet the affordable rent/mortgage outgoings on a WCLT home, suitability of the homes WCLT has available to meet the applicants' needs and local connection (see Geographical Restriction below).

Geographical Restriction

WCLT serves the geographical area of Wickham in Hampshire, its adjoining parishes and the administrative area of Winchester City Council, in that order of priority. Being an attractive village within reach of three cities, Winchester, Portsmouth and Southampton, Wickham's house prices, both for purchase and rent, are high and beyond the means of many young people from this specific vicinity who wish to be able to live in the community from which they come or in which they work.

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Trustee Discretion

All applicants for WCLT homes must complete an application form to enable WCLT to assess how they meet the selection criteria set out in our Allocations Policy. Applicants who best meet the criteria are interviewed by members of WCLT's Housing Sub-Committee with the resulting recommendations reported to the Housing Sub-Committee. Where necessary the Sub-Committee may seek further information and where applications are similar, members of the Committee will exercise their discretion to weigh need and potential benefit

Such decision-making becomes necessary where the applications cannot simply be considered on the basis of the analysis of data. At such a time people's lives and well-being are in question and the trustees who make up the Housing Sub-Committee are aware of their responsibility to make their decisions in a professional manner and in the light of both the charity's aims and their responsibilities as trustees.

Identifying Public Benefit

The impact of our achievement goes wider than those families and that section of the public whom we have helped directly and its public benefits include the following:

- A reduction in the list of people seeking affordable housing in the area;
- A reduction in local barriers to housing;
- An increase in housing stock available for affordable homes;
- Increased availability of local accommodation for key workers serving the local area;
- A reduction in distances between home and workplace for people working in the area;
- The retention of assets for public benefit, providing asset lock in the long term.

Private benefit

No-one receives any private benefit from WCLT other than as a beneficiary.

Directors' Public Benefit Statement

In monitoring and reviewing the achievements of this financial year the WCLT Board believes that it indeed continues to meet its aim to provide housing to relieve financial hardship of eligible beneficiaries.

Through its community ties and co-operation with both Winchester City Council and HomesinHants/Help to BuySouth WCLT confirms that it remains aware of housing need in the area and can direct its current work in the light of contemporary evidence and use such resources to inform any future action or projects.

The Directors of WCLT confirm that in drawing up this report they have been aware of their duty to report on public benefit and have paid due regard to the Charity Commission's guidance in this area.

7. PLANS FOR FUTURE PERIODS

For the next financial year the aims of WCLT are to:

1. Continue to manage our properties for the benefit of our existing tenants and shared owners in line with our business plan and charitable objectives
2. Continue to manage and maintain the charity's property assets with the long term public benefit in mind
3. Serve the needs of our tenants whilst maintaining strict control of expenditure and meeting the budgeted outturn for the year
4. Work with local residents, Winchester City Council, Wickham Parish Council on opportunities to provide more affordable homes for those with qualifying local connection
5. Explore with developers bidding for involvement in the Local Plan Part 2 the potential for a second affordable homes project.
6. Respond to any other opportunities that may emerge consistent with the charitable aims of WCLT
7. With reference to 5 above "**Events subsequent to report period**", make a strong case to Government that the voluntary agreement in respect of Right to Buy should be enshrined in legislation.
8. Should such exemptions in 7 above not be more formally enshrined take steps to mitigate as much as possible any potential negative impact.

8. CONCLUSION

With Defects Work coming to an end in the first Quarter of the financial year 2015-2016 WCLT hopes for a period of quiet consolidation where the trust can concentrate on managing the properties as well as we can both for the individual residents and with regard to the long-term aims of the Trust.

From this base, WCLT looks forward to being actively engaged in discussion and development plans for the village under Local Plan Part 2. *WCLT's involvement could be crucial to this community in that only WCLT has allocation criteria which allow it to accommodate local people.* It is anticipated that WCLT will be seeking to forge new links with potential development partners in the forthcoming year.

WCLT is very grateful for the support of local people and those organisations with which we have worked over the last few years. We particularly appreciate the good and sometimes special working relationships with these supportive organisations.

WCLT would like to acknowledge and record its thanks to the Drew Smith Group for the remedial work it has undertaken during this financial period.

Sincere thanks are also due to the Directors who have given their time and expertise generously and voluntarily to push WCLT's goals forward. WCLT is grateful to those Directors who are keen to continue into next financial year.

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9. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Housing SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015. 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 Directors are aware:

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

By order of the board,



Judith Lucas

Director

Independent Auditor's Report to the Members of Wickham Community Land Trust

We have audited the financial statements of Wickham Community Land Trust for the year ended 31 March 2016 which comprise Statement of Consolidated Income, the Statement of Financial Position, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities Act 2011, the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

This report is made solely to Wickham Community Land Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Trust's members 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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 14, the Directors (who are also the trustees 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2016 and of its surplus 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, the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2015.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

Independent Auditor's Report to the Members of Wickham Community Land Trust (continued...)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the board members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.


Susan Sullivan FCA (Senior Statutory Auditor)

27/9/2016

For and on behalf of

Rothmans Audit LLP

Chartered Accountants and Statutory Auditors

Avebury House

6 St Peter Street

Winchester

Hampshire

SO23 8BN

Statement of Comprehensive Income

For the year ended 31 March 2016

	Note	2016 £	2015 As re-stated £
Turnover	2	45,583	44,950
Operating expenditure	2	(25,792)	(27,636)
Operating Surplus		19,791	17,314
Interest receivable and other income	3	743	140
Interest payable and financing costs		(15,285)	(15,538)
Surplus on ordinary activities before taxation	4	5,249	1,916
Taxation	5	-	-
Surplus for the year and total comprehensive income	12	5,249	1,916

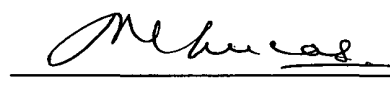
The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Directors on 25 September 2016 and signed on their behalf by



Nicol Holladay
Chairman & Director



Judith Lucas
Director

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Financial Position

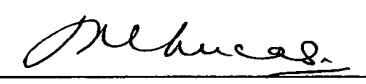
As at 31 March 2016

	Note	31 March 2016 £	31 March 2015 As re-stated £
Fixed assets			
Tangible fixed assets	6,9	760,064	772,367
Current assets			
Prepaid expenses	7	2,887	2,460
Cash at bank and in hand		46,218	39,309
		49,105	41,769
Creditors – Amounts falling due within one year	8, 10	(30,559)	(26,274)
Net current assets		18,546	15,495
Total assets less current liabilities		778,610	787,862
Creditors – Amounts falling due after more than one year	9, 10	(702,808)	(718,404)
Provisions for liabilities	11	(3,998)	(2,903)
Total Net assets		71,804	66,555
Reserves			
Income and expenditure reserve	12	71,804	66,555
Total Reserves		71,804	66,555

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 25 September 2016 and are signed on their behalf by


Nicol Holladay
Chairman & Director


Judith Lucas
Director

The notes on pages 21 to 31 form part of these accounts

Statement of Cash Flows

For the year ended 31 March 2016

	Note	2016 £	2015 £
Net cash generated from operating activities	13	22,065	20,186
Cash Flow from Investing Activities			
Interest received		64	140
Cash Flow from Financing Activities			
Interest paid		(15,220)	(15,538)
Net change in cash and cash equivalents		6,909	4,788
Cash and cash equivalents at the start of the year		39,309	34,521
Cash and cash equivalents at the end of the year		46,218	39,309

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Changes in Reserves

	Income and expenditure reserve £	Total £
At 1 April 2014 as previously stated	64,078	64,078
Changes on transition to FRS 102 (note 23)	561	561
At 1 April 2014 as restated	64,639	64,639
Surplus for the year as previously stated	1,580	1,580
Changes on transition to FRS 102 (note 23)	336	336
Total comprehensive income	1,916	1,916
At 31 March 2015 and 1 April 2015	66,555	66,555
Surplus for the year	5,249	5,249
Total comprehensive income	5,249	5,249
At 31 March 2016	71,804	71,804

Notes to the Financial Statements

1. Accounting policies

a) *Legal status*

Wickham Community Land Trust is registered under the Companies Act 2006 as a company limited by guarantee incorporated in England and Wales. It is registered with both the Charity Commission and the Homes and Communities Agency as a Registered Provider and is a public benefit entity.

b) *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 for social housing providers known as the Housing SORP 2014;
- in accordance with the Accounting Direction for private registered providers of social housing in England 2015;
- in accordance with the Charities Act 2011;
- in accordance with applicable UK Generally Accepted Accounting Principles (UK GAAP) accounting standards, including Financial Reporting Standard 102 (FRS 102)
- in accordance with the Companies Acts 2006.

The financial statements are presented in sterling which is the functional currency of the Trust and are rounded to the nearest pound.

This is the first year in which the financial statements have been prepared under FRS 102. See note 23 for a reconciliation of the effects of the transition.

As the Company is a charity, the wording of the statutory formats required by the Companies Act 2006 has been appropriately amended in order to give a true and fair view.

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

c) *Significant Judgements*

In applying the various accounting policies relevant to social landlords the trustees have determined to categorise the houses owned by the trust as fixed assets rather than investment properties. As such they are shown at cost rather than market value. As house prices have risen since the houses were acquired by the trust this means that they are shown in the accounts below market value.

d) *Key Assumptions and sources of estimation uncertainty*

The trustees consider that there are no significant areas of uncertainty in the assumptions they have made that would be likely to cause a material change to the carrying value of any assets or liabilities over the next year.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

1. Accounting policies (continued)

e) Funds structure

- Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

f) Turnover

Turnover comprises rental income receivable in the year, service charges receivable in the year and income from shared ownership first tranche sales. Income from first tranche sales is recognised at the point of legal completion of the sale.

g) Expenditure

Expenditure is recognised on an accruals basis.

h) Fixed assets

Housing Properties

The company holds four properties available for rent and four properties available for shared ownership.

Fixed assets are stated at cost less accumulated depreciation.

Depreciation

Freehold land is not depreciated.

The company 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 company depreciates the major components of its housing properties over the following timescales

Structure	100 years
Roof	60 years
Kitchen	20 years
Bathroom	30 years
Boiler	15 years
Heating System	30 years
Windows & Doors	20 years
Electrics	30 years

1. Accounting policies (*continued*)

Impairment

Impairment reviews are carried out as and when evidence comes to light that the recoverable amount of a functional fixed asset is below its net book value due to damage, obsolescence or other relevant factors.

Component Accounting

Under the Statement of Recommended Practice (SORP) Accounting by registered social housing providers 2010 the company was required to identify the major components which make up its housing property assets and depreciate these over individual useful economic lives. The company has continued this policy under SORP 2014 although the new SORP requires that capital grants are no longer deducted from the cost of the properties to which they relate and so the depreciated value of the company's assets has been re-stated in the financial statements.

i) Shared ownership properties

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and related sale proceeds included in turnover and the remaining element is classed as fixed assets and included in housing properties at cost, less any provisions needed for depreciation or impairment.

j) Social Housing Grant

Social housing grant (SHG) is receivable from the Homes & Communities Agent (the HCA). In the past it was shown as reducing the capital costs of housing properties, and was allocated to the land and structure components of the associated asset in proportion to their cost. Under SORP 2014 the company has adopted the accruals model for the recognition of government grant and is required to account for such grants as deferred income and to take a portion of the grant to income each year. Accordingly this practice has been followed for the year ended 31 March 2016 and the prior year has been re-stated.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

2. Income and Expenditure from Social Lettings

	2016	2015
	£	As re-stated £
Turnover		
Intermediate rental income	28,801	28,089
Shared Ownership rental income	11,448	11,816
HCA grant taken as income	3,700	3,700
Charges for support services	1,634	1,345
	<u>45,583</u>	<u>44,950</u>
Expenditure		
Maintenance costs	(1,862)	(2,976)
Insurance	(3,262)	(2,966)
Void costs	(47)	(52)
Property Management Costs	(3,456)	(4,153)
Other costs	(17,165)	(17,489)
	<u>(25,792)</u>	<u>(27,636)</u>

Rental income is stated net of identifiable service charges.

3. Interest receivable and other income

	2016	2015
	£	£
Interest receivable	64	140
Donations received	120	-
Insurance Claim	<u>559</u>	<u>-</u>
	<u>743</u>	<u>140</u>

4. Surplus on ordinary activities

This is stated after charging:

	2016	2015
	£	As re-stated £
Auditor's remuneration – for audit services	3,600	3,600
Depreciation	<u>12,302</u>	<u>12,302</u>

5. Taxation

As a charity, WCLT is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

6. Key management personnel remuneration

Key management personnel neither received nor waived any remuneration during the year. (2015: £nil)

7. Tangible fixed assets

	Freehold Land and Buildings - Intermediate Rent £	Freehold Land and Buildings - Shared Ownership £	Total £
Cost			
At beginning of year	495,007	310,166	805,173
Additions	-	-	-
At end of year	495,007	310,166	805,173
Depreciation			
At beginning of year (re-stated)	(20,577)	(12,229)	(32,806)
Charge for year	(7,716)	(4,586)	(12,302)
At end of year	(28,293)	(16,815)	(45,108)
Net book value			
At 31 st March 2016	466,714	293,351	760,065
At 31 st March 2015 (re-stated)	474,430	297,937	772,367

The above assets, with a net book value of £760,065 are pledged as security against the Trust's loans.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

8. Prepaid expenses

	2016	2015
	£	£
Insurance costs	2,887	2,460
	<u> </u>	<u> </u>

9. Creditors – Amounts falling due within one year

	2016	2015
	£	As re-stated £
Bank Loans (note 12)	12,654	12,060
Other creditors	10,234	6,610
Accrued expenses	3,971	3,904
Deferred income from HCA grant (note 11)	3,700	3,700
	<u> </u>	<u> </u>
	30,559	26,274
	<u> </u>	<u> </u>

10. Creditors – Amounts falling due after more than one year

	2016	2015
	£	As re-stated £
Bank loans (note 12)	268,167	280,528
Loans from other institutions (note 12)	81,908	81,443
Deferred income from HCA grant (note 11)	352,733	356,433
	<u> </u>	<u> </u>
	702,808	718,404
	<u> </u>	<u> </u>

11. Deferred Grant Income

	2016	2015
	£	As re-stated £
At 1 April	360,133	363,833
Released to income in year	<u>(3,700)</u>	<u>(3,700)</u>
At 31 March	<u>356,433</u>	<u>360,133</u>
Amounts to be released within 1 year	3,700	3,700
Amounts to be released in 2-5 years	14,800	14,800
Amounts to be released in more than 5 yrs	<u>337,933</u>	<u>341,633</u>
	<u>356,433</u>	<u>360,133</u>

12. Bank loans and loans from other institutions

	2016	2015
	£	£
Due within one year and on demand	12,654	12,060
Due after one year but less than two years	13,279	12,654
Due after two years but less than five years	44,571	41,842
Due after more than five years	292,225	307,475
	<u>362,729</u>	<u>374,031</u>

The aggregate amount of debt secured upon the intermediate rental properties and the share of shared ownership properties retained by the trust is £362,729

The loans bear interest in the range of 0% to 6.5% and range in terms from 13 years to 25 years.

13. Provisions for liabilities and charges

	2016	2015
	£	£
Balance at start of year	2,903	1,808
Charge for the year	1,095	1,095
Closing balance at 31 March	<u>3,998</u>	<u>2,903</u>

Provisions for liabilities and charges comprise of amounts set aside for the future overhaul of the properties.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

14. Reserves

	Unrestricted general reserves	Total reserves
	£	£
Balance as at 1 April 2015 (as re-stated)	66,555	66,555
Surplus for year	5,249	5,249
At 31 March 2016	<u>71,804</u>	<u>71,804</u>

15. Statement of Cash Flows from Operating Activities

	2016	2015 As re-stated
	£	£
Surplus for the year	5,249	1,916
Adjustment for non-cash items		
Depreciation	12,302	12,302
Amortisation of government grant	(3,700)	(3,700)
Decrease/(increase) in prepayments	(427)	204
Increase in creditors	3,692	4,021
(decrease) in loans	(11,302)	(11,050)
Increase in provisions	1,095	1,095
Adjustment for investing and financing activity		
Interest payable	15,220	15,538
Interest received	(64)	(140)
Net cash generated from Operating activities	<u>22,065</u>	<u>20,186</u>

16. Accommodation in management

At the end of the year, accommodation in management for each type of property was as follows:

	2016	2015
Shared ownership	4	4
Intermediate rent	4	4
	<u>8</u>	<u>8</u>

17. Company limited by guarantee

Wickham Community Land Trust is a company limited by guarantee and has no share capital. As at 31st March 2016 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.

18. Director Information

No remuneration was paid to the Directors during the year (2015: £nil).

19. Capital commitments

At 31st March 2016 there were no capital commitments (2015: none).

20. Related parties

During the year, expenses of £425 were reimbursed to 3 trustees (2015: £508 to 2 trustees).

21. Ultimate controlling party

Wickham Community Land Trust is ultimately controlled by the board of Trustees.

22. Financial instruments

The carrying amounts of the Trust's financial instruments are as follows:

	2016 £	2015 £
Financial assets measured at amortised cost:		
- Cash at bank and in hand	46,218	39,309
	<u>46,218</u>	<u>39,309</u>
Financial liabilities measured at amortised cost		
- Other creditors (note 9)	10,234	6,610
- Bank and other Loans (note 12)	362,729	374,031
	<u>372,963</u>	<u>380,641</u>

The total interest income for financial assets that are measured at amortised cost was £64 (2015: £140). The total interest expense for financial liabilities that are measured at amortised cost was £15,220 (2015: £15,538).

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2016

Company Reg. No: 06608621

Charity Number: 1134897

23. Transition to SORP 2014 / FRS102

The Trust has adopted SORP 2014 for the first time in the year ended 31 March 2016. The effect of transition from SORP 2010 to SORP 2014 is outlined below.

a) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of the SORP were as follows:

Social housing grant (SHG) was historically shown as reducing the capital costs of housing properties, and was allocated to the land and structure components of the associated asset in proportion to their cost. Under SORP 2014 the company is required to allocate the grants to the related asset and amortise the grant over the life of that asset. The unamortised grant is held within deferred income and split between amounts due within one year and after one year.

The effect of the restatement has been an increase in income recognised on transition which is offset by an increase in depreciation, the overall impact is a small increase in the surplus for the year ended 31 March 2015 and to the position of the opening reserves at 1 April 2014.

b) Reconciliation of reserves

Adjustments to previously reported reserves at the date of transition to the SORP were as follows:

	£
Reserves at 1 April 2014 under SORP 2010	64,078
Income arising from reclassification of SHG	6,167
Additional depreciation arising from reclassification of SHG	(5,606)
Reserves at April 2014 under SORP 2014	<u>64,639</u>

Adjustments to previously reported reserves at the end of the comparative period were as follows:

	£
Reserves at 31 March 2015 under SORP 2010	65,658
Income arising from reclassification of SHG	9,867
Additional depreciation arising from reclassification of SHG	(8,970)
Reserves at 31 March 2015 under SORP 2014	<u>66,555</u>

c) Reconciliation of comparative period comprehensive income

Adjustments to previously reported comprehensive income in the comparative period were as follows:

	£
Comprehensive income for the period ended 31 March 2015 under SORP 2010	1,580
Income arising from reclassification of SHG	3,700
Additional depreciation arising from reclassification of SHG	(3,364)
Comprehensive income for the period ended 31 March 2015 under SORP 2014	<u>1,916</u>