

06608621

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Annual Report and Financial Statements for the year ended

31 March 2017

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 2017

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 2017.

1. PURPOSES OF THE CHARITY

1.1 Purposes as set out in Wickham Community Land Trust's governing document

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 (WCLT) 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.

1.2 Summary of activities in support of the purposes

- Maintain and run our properties in such a way that they can remain a long term public benefit, contributing to the sustainability of this community;
- Manage the on-going movement of residents into and out of the properties so that the homes remain a benefit to those who qualify to occupy them on grounds of need;
- Maintain the affordable nature of the accommodation;
- 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 to provide asset lock;
- 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.
- Monitor and review the charity's performance against its charitable objectives on a regular basis.

1.3 Summary of Activities in relation to public benefit

- WCLT's main focus is on providing housing for 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;

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- 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.

1.4 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 people from this specific vicinity who wish to be able to live in the community from which they come or in which they work.

1.5 Identifying Public Benefit

The impact of our achievement goes wider than those families we house 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.

1.6 Private benefit

No-one receives any private benefit from WCLT other than as an arm's length beneficiary.

1.7 Directors' Public Benefit Statement

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.

1.8 Contribution made by volunteers

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

1.9 Additional Information

WCLT employs a Managing Agent for its rental properties. While the selection process remains under the control of WCLT, once that process is complete the Managing Agent deals with the collection of rent and service charge and manages repairs. However, WCLT remains closely involved in management issues and directly manages the shared ownership properties.

In Q4 of this year WCLT appointed new managing agents and the transition took place smoothly in Q1 of the subsequent financial period.

2. ACHIEVEMENTS AND PERFORMANCE

2.1 Quantitative and Qualitative Information

During this financial year WCLT's eight homes have continued to provide housing for 21 individuals (adults and children) who qualify under the categories outlined in 1.3 above. There has been no movement into or out of our homes this year.

Feedback from our residents remains consistently appreciative and this is demonstrated in their willingness to contribute their views/quotes for community housing events and to our lenders.

2.2 Meeting Homes & Communities Agency (HCA) Standards

Directors continue to use the HCA's Economic and Consumer Standards as terms of reference for measuring our service-delivery.

- Value for Money Standard: WCLT adopted its own Value for Money Standard in 2011 and continues to review its performance against this standard. In its fifth 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.
- 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.
- 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.
 - ii) Repairs and Maintenance: WCLT is responsive to matters of ongoing repair and maintenance.
- Tenant Involvement and Empowerment Standard

WCLT convened a meeting with residents on 18th October, 2016 to disseminate information, explain charges and to capture residents' views and respond to any of their concerns. 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.

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- Neighbourhood and Community Standard
WCLT works to good effect with Hyde Group, Wickham Community Association 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 retains its current tenancy standard as a useful guide and operational reference point in relation to tenancies and tenancy review processes.

2.3 Achievements against objectives set

At its AGM in September 2016, the Board received a three yearly Monitoring and Review Report on its performance since 2012 and in February 2017 finalised its objectives for the next review period 2016 – 2019. WCLT will monitor and review the achievements of the trust to ensure it continues to meet its aim to use its existing homes to provide housing to relieve financial hardship of eligible beneficiaries and if possible to increase this provision.

3. FINANCIAL REVIEW

The financial statements have been prepared in accordance with the Housing SORP 2014.

Under this SORP the capital grant from the HCA is classified as deferred income in the Balance Sheet with a proportion being taken each year to the Income and Expenditure account.

Also under this SORP the Income and Expenditure account is titled the Statement of Comprehensive Income and the Balance Sheet is called the Statement of Financial Position. In addition we have included 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.

3.1 Financial position at the end of the period

The Trust's performance in this financial year has been consistently above budget and witnesses to a gradual increase in funds over time.

With cautious budgeting for the year and prudent expenditure during the year we are pleased to record a surplus for the period of £3,505 (2016: £5,249.)

3.2 Reserves

WCLT's Reserves Policy states the Trust's intention to hold reserves to the equivalent of at least 6 months of normal operating costs in order to:

- ensure continuity in meeting the needs of beneficiaries and the Charity's financial obligations;
- ensure the Charity can bridge cash flow problems in periods of changeover when beneficiaries leave or move into properties or rental income drops at such times;
- maintain and develop its charitable activities.

In line with Charity Commission guidance this policy was reviewed in November, 2016 and will be reviewed annually.

As at 31 March 2017 the Trust held reserves of £75,309

3.3 Principal Funding Sources

- 3.3.1 Grants: one new grant was received in Q2, that being £500 from Hampshire County Council to enable the Trust to upgrade and update its publicity material. Some of these funds were spent within this financial year with the remainder being spent in Q1 of the next financial period.
- 3.3.2 Loans: no new loans were taken out in the period
- 3.3.3 Existing loans, which WCLT continues to service as appropriate:
- Portsmouth Area Regeneration Trust
 - Charity Bank (Loan monies)
 - Winchester City Council
 - Hyde Group
- 3.3.4 Donations: one small cash donation of £10 in September 2016.

3.4 Other Income

- 3.4.1 Rental Income from the four Fixed Term Assured Tenancies has provided a steady income throughout the financial year. We have had no voids in this financial year.
- 3.4.2 Rental Income from shared ownership homes also provided a steady income.

3.5 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.

In the previous period WCLT commissioned the installation of pressure control valves to cold water supply in all its rental and shared ownership properties and this work was carried out in this financial year. This is in response to a serious leak in one of the properties in summer 2015 and, although advice was that this was an extremely unusual occurrence, WCLT erred on the side of caution because its properties are all timber-framed and as such would take a long time to dry out after such an event

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.

3.6 Risks

As reported last year, the Trust had major concerns in respect of the implications for WCLT of government initiatives over Right to Buy (Housing and Planning Bill) and the requirement to decrease social rents by 1% a year over a period of four years (Welfare Reform and Work Bill).

WCLT is pleased to report that a voluntary arrangement agreed with government regarding Right to Buy has held and provides for CLTs to exercise discretion not to sell a home. Furthermore, in

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September 2016 WCLT learned from a written statement from the Secretary of State for Work and Pensions that the initial exemption from Year 1 of the Rent Reduction scheme would now be extended to the full four years of this government policy. These developments provided WCLT with the opportunity to improve its risk ratings in this financial year.

3.7 Investment

As part of the original loan terms with Charity Bank, WCLT has £8,264 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. The movement of further surplus funds into investment accounts is under consideration.

3.8 Fundraising activities

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

3.9 Events subsequent to this report period

- 3.9.1 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.
- 3.9.2 WCLT was invited by Winchester City Council following the launch of the Community Housing Fund to contribute to Community Housing initiatives by way of meetings with the Council, with community bodies interested in pursuing such projects, and in producing instructive materials based on WCLT's experience. This voluntary work is ongoing and in recognition of this WCLT was in receipt of grant funding (£900) in Q2 of the next financial period.
- 3.9.3 WCLT has also contributed to research work undertaken by Power for Change and expects to be in receipt of further grant monies (£200) also in Q2.

3.10 Plans for the forthcoming year

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

- Work with Winchester City Council, Wickham Parish Council, Portsmouth Diocese and others on opportunities to provide more affordable homes for those with qualifying local connection
- Explore with developers bidding for involvement in the Local Plan Part 2 the potential for a second affordable homes project.
- Explore with housing associations operating in this area opportunities to work together in developing further social housing.
- Respond to any other opportunities that may emerge consistent with the charitable aims of WCLT

4. STRUCTURE, GOVERNANCE AND MANAGEMENT

4.1 Governing Document

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

4.2 Legal Definition of a Community Land Trust under the Housing & Regeneration Act 2008

WCLT meets the legal definition of a community land trust as defined by the act.

4.3 Members and Membership

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. The Board gained a new member in this way, Christopher Cook, Dip Arch, RIBA, in November 2016.

There is one class of membership.

Persons with Significant Control: WCLT keeps a register in which to record such but at present the position is Nil.

In accordance with our Conflicts of Interest Policy all directors are required to complete annually a Register of Interests.

Membership permits nominees on behalf of the United Benefice of Shedfield and Wickham, held at present by Reverend Elizabeth Groves, and Winchester City Council, held by Cllr. Thérèse Evans until September 2016 when she retired on grounds of ill health. 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.

Edward Fitzgerald resigned in September 2015 and, having signified his willingness to stand, was re-elected for a further term of three years.

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

4.4 Director Induction, Training and development

Directors are provided with a Trustee Role Description and asked to sign a Trustee Code of Conduct and to complete a Declaration in respect of Individual Voluntary Arrangements, bankruptcy and unspent convictions. 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.

4.5 Organisational and Structural Matters

4.5.1 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.

- 4.5.2 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 WCLT's operation and against which the Board can assess the effectiveness of its governance arrangements at least once a year.
- 4.5.3** WCLT has considered its adherence with new legislation and certifies its compliance with the HCA's Governance and Financial Viability Standard.
- 4.5.4 Asset Register** WCLT manages its resources prudently to ensure its viability and actively assesses and manages risk. It maintains an Asset Register.
- 4.5.5 Risk Management** Consideration of WCLT's Risk Appraisal is embedded as a regular item in Board Meetings and 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.
- 4.5.6 Insurance:** WCLT's cover provides for Directors' and Officers' Liability Insurance, Public and Products Liability Insurance, Property Owners' Liability Insurance and Buildings Insurance. WCLT holds NHBC certification for all eight properties.
- 4.5.7 Legal**
- i) Tenancy Agreements are based on the National Housing Federation model for a five year fixed term, preceded by a one year probationary period.
 - ii) Shared Ownership Agreements are based on the Homes and Communities Agency Model Lease for Protected Areas, with stair-casing restricted to 80%.
- 4.5.8 Change of Legal Advisers:** WCLT Board made the decision to change legal advisers in the previous reporting period and this was finally carried out in October 2016.

4.6 Relationship with related parties

- 4.6.1 Charity Commission:** WCLT is a registered charity (registration 12th March 2010). WCLT submits an Annual Return to the Charity Commission and is in receipt of its informative Quarterly Newsletters.
- 4.6.2 Homes & Communities Agency (HCA):** WCLT is registered as a Non-profit private registered provider of social housing with the Tenants Service Authority (now Homes & Communities Agency) on 7th February, 2012. WCLT in terms of HCA regulation counts as a small provider. As a Registered Provider WCLT reports to and receives advice from HCA and submits its Statistical Data Return under NRosh+.
- 4.6.3** 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.
- 4.6.4** WCLT has kept abreast of revisions to the HCA's Regulatory Framework s which came into effect in April 2015 in respect of Governance and Financial Viability and the HCA's Regulating the Standards, July 2016.
- 4.6.5 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 is one outstanding issue which awaits resolution in respect of Estate Charges (see section 6 below: Funds held as custodian trustees)

4.6.6 Winchester City Council (WCC)

Cllr Therese Evans remained WCC's nominee on the board for most of this financial year until she needed to retire due to ill health.

4.6.7 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 (see Radian Group below), an up to date picture of housing need in the area can be maintained.

4.6.8 Representatives of WCLT have also contributed to Winchester's Local Plan Part 2 as it relates to forward planning for this village.

4.6.9 WCLT has attended meetings with WCC to discuss the Government's funding initiative on Community-led housing which may open opportunities for WCLT to participate. (See also Events subsequent to reporting period above.)

4.6.10 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.

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

4.6.12 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.

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

5. REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY

Charity Name:	Wickham Community Land Trust
Charity Registration Number:	1134897
HCA Registered Provider:	4692
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

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The Reverend A. J. Smith
Mrs. J.M. Lucas
Mr. C. Cook
Cllr. T. Evans

Finance Director
Director with Secretarial Responsibilities
Appointed November 2016
Nominee of Winchester City Council (retired
September 2016)

Mr. E. Fitzgerald
The Reverend E.A. Groves

Nominee of Benefice of St. Nicholas, Wickham and
St. John's Shedfield

Mr. D.R. Thompson

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

Legal Advisers: i) DWF LLP, Bridgewater Place, Water Lane, Leeds, LS11 5DY (until October 2016)
ii) Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES (from October 2016)

Auditors: Rothmans Audit LLP, Statutory Auditors and Chartered Accountants, Avebury House, St Peter Street, Winchester, Hampshire, SO23 8BN.

Chartered Surveyors: Chandler Hawkins (Portsmouth)

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

Managing Agent: i) Bishops Independent Estate and Lettings Agents, Kates Korner, High Street, Bishop's Waltham, SO32 1AB (until 30th April 2017)
ii) Byrne Runciman, Estate Agents, The Square, Wickham, Hampshire, PO17 5JT (from 1st May 2017)

6. FUNDS HELD AS CUSTODIAN TRUSTEES

6.1 WCLT levies certain monthly charges from their tenants:

- 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.

6.2 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 the Sinking Fund are placed in an interest-earning Business Reserve account.

6.3 With the approval of residents in October 2016, WCLT drew down in Quarter 3 two sums for the period up to 31 3 2016 in respect of administration and accountancy: £40 for administration and accounting and £105 for collection fee.

6.4 Estate Charge: WCLT's correspondence with Hyde Housing in respect of invoices continues. In September 2016 Hyde finally suggested they

- i) Write-off charges due for the period 2015/2016 and would
- ii) Issue WCLT with estimated later costs in February 2017. These were not forthcoming.
- iii) Issue actual costs for 2016/2017 in September 2017.

Unfortunately ii) was not forthcoming and WCLT must await iii) to get any idea of likely costs.

The subsequent reporting period will see WCLT drawing up options for returning to residents and previous residents some of the collected Estate Charges for periods prior to 2016. This will be done with some caution because the obligation to meet Hyde charges remains and there is very little indication as to how these will be pitched.

Meanwhile, WCLT continues to pursue a satisfactory service level agreement and continues to provide for the expected cost in its accounts.

7. CONCLUSION

WCLT has enjoyed a period of consolidation with the trust able to concentrate on managing the properties as well as possible 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 in perpetuity. It is anticipated that involvement in such developments will take centre stage 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.

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.

8. 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;

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- 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.

On behalf 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 2017 which comprise the Statement of Consolidated Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Reserves 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 12, 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 2017 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.

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

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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:

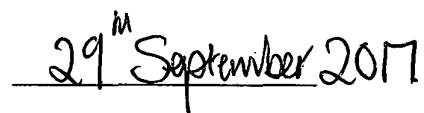
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are 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)



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

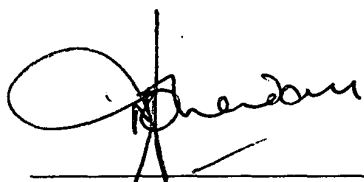
For the year ended 31 March 2017

		2017	2016
	Note	£	£
Turnover	2	47,423	45,583
Operating expenditure	2	(30,020)	(25,792)
Operating Surplus		17,403	19,791
Interest receivable and other income	3	569	743
Interest payable and financing costs		(14,467)	(15,285)
Surplus on ordinary activities before taxation	4	3,505	5,249
Taxation	5	-	-
Surplus for the year and total comprehensive income	12	3,505	5,249

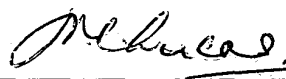
The results relate wholly to continuing activities.

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the Directors on 19th September 2017 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 2017

Company Reg. No: 06608621

Charity Number: 1134897

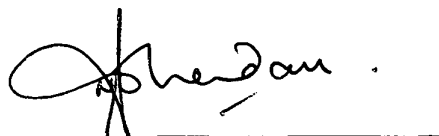
Statement of Financial Position

As at 31 March 2017

		31 March 2017	31 March 2016
	Note	£	£
Fixed assets			
Tangible fixed assets	7	747,763	760,064
Current assets			
Prepaid expenses	8	2,926	2,887
Cash at bank and in hand		51,541	46,218
		54,467	49,105
Creditors – Amounts falling due within one year	9	(34,964)	(30,559)
Net current assets		19,503	18,546
Total assets less current liabilities		767,266	778,610
Creditors – Amounts falling due after more than one year	10	(686,364)	(702,808)
Provisions for liabilities	13	(5,593)	(3,998)
Total Net assets		75,309	71,804
Reserves			
Income and expenditure reserve	14	75,309	71,804
Total Reserves		75,309	71,804

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 19th September 2017 and are signed on their behalf by



Nicol Holladay
Chairman & Director



Judith Lucas
Director

The notes on pages 19 to 27 form part of these accounts

Statement of Cash Flows

For the year ended 31 March 2017

	Note	2017 £	2016 £
Net cash generated from operating activities	15	19,731	22,065
Cash Flow from Investing Activities			
Interest received		59	64
Cash Flow from Financing Activities			
Interest paid		(14,467)	(15,220)
Net change in cash and cash equivalents		5,323	6,909
Cash and cash equivalents at the start of the year		46,218	39,309
Cash and cash equivalents at the end of the year		51,541	46,218

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2017

Company Reg. No: 06608621

Charity Number: 1134897

Statement of Changes in Reserves

	Income and expenditure reserve £	Total £
At 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 and 1 April 2016	71,804	71,804
Surplus for the year	3,505	3,505
Total comprehensive income	3,505	3,505
At 31 March 2017	75,309	75,309

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.

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.

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.

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 (HCA). 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. Grants relating to housing properties are recognised in income on a systematic basis over the useful economic life of the housing property structure.

Wickham Community Land Trust

A Registered Charity and Company Limited by Guarantee

Trustees' Report & Financial Statements for the year ended 31 March 2017

Company Reg. No: 06608621

Charity Number: 1134897

2. Income and Expenditure from Social Lettings

	2017	2016
	£	£
Turnover		
Intermediate rental income	29,851	28,801
Shared Ownership rental income	12,207	11,448
HCA grant taken as income	3,700	3,700
Charges for support services	1,665	1,634
	<u>47,423</u>	<u>45,583</u>
Expenditure		
Maintenance costs	(5,793)	(1,862)
Insurance	(3,417)	(3,262)
Void costs	-	(47)
Property Management Costs	(3,582)	(3,456)
Other costs	(17,228)	(17,165)
	<u>(30,020)</u>	<u>(25,792)</u>

Rental income is stated net of identifiable service charges.

3. Interest receivable and other income

	2017	2016
	£	£
Interest receivable	59	64
Donations received	510	120
Insurance Claim	-	559
	<u>569</u>	<u>743</u>

4. Surplus on ordinary activities

This is stated after charging:

	2017	2016
	£	£
Auditor's remuneration – for audit services	3,600	3,600
Depreciation	12,302	12,302

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. (2016: £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)	(28,293)	(16,815)	(45,108)
Charge for year	(7,716)	(4,586)	(12,302)
At end of year	(36,009)	(21,401)	(57,410)
Net book value			
At 31 st March 2017	458,998	288,765	747,763
At 31 st March 2016	466,714	293,351	760,065

The above assets, with a net book value of £747,763 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 2017

Company Reg. No: 06608621

Charity Number: 1134897

8. Prepaid expenses

	2017	2016
	£	£
Insurance costs	2,926	2,887
	<u> </u>	<u> </u>

9. Creditors – Amounts falling due within one year

	2017	2016
	£	£
Bank Loans (note 12)	13,279	12,654
Other creditors	14,069	10,234
Accrued expenses	3,916	3,971
Deferred income from HCA grant (note 11)	3,700	3,700
	<u>34,964</u>	<u>30,559</u>

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

	2017	2016
	£	£
Bank loans (note 12)	254,953	268,167
Loans from other institutions (note 12)	82,378	81,908
Deferred income from HCA grant (note 11)	349,033	352,733
	<u>686,364</u>	<u>702,808</u>

11. Deferred Grant Income

	2017	2016
	£	£
At 1 April	356,433	360,133
Released to income in year	<u>(3,700)</u>	<u>(3,700)</u>
At 31 March	<u>352,733</u>	<u>356,433</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>334,233</u>	<u>337,933</u>
	<u>352,733</u>	<u>356,433</u>

12. Bank loans and loans from other institutions

	2017	2016
	£	£
Due within one year and on demand	13,279	12,654
Due after one year but less than two years	13,936	13,279
Due after two years but less than five years	46,100	44,571
Due after more than five years by instalments	194,916	210,317
Due after more than five years other than by instalments	82,379	81,908
	<u>350,610</u>	<u>362,729</u>

The aggregate amount of debt secured upon the intermediate rental properties and the share of shared ownership properties retained by the trust is £350,610

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

	2017	2016
	£	£
Balance at start of year	3,998	2,903
Charge for the year	1,595	1,095
Closing balance at 31 March	<u>5,593</u>	<u>3,998</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 2017

Company Reg. No: 06608621

Charity Number: 1134897

14. Reserves

	Unrestricted general reserves	Total reserves
	£	£
Balance as at 1 April 2016	71,804	71,804
Surplus for year	3,505	3,505
At 31 March 2017	<u>75,309</u>	<u>75,309</u>

15. Statement of Cash Flows from Operating Activities

	2017	2016
	£	£
Surplus for the year	3,505	5,249
Adjustment for non-cash items		
Depreciation	12,302	12,302
Amortisation of government grant	(3,700)	(3,700)
Decrease/(increase) in prepayments	(39)	(427)
Increase in creditors	3,780	3,692
(decrease) in loans	(12,120)	(11,302)
Increase in provisions	1,595	1,095
Adjustment for investing and financing activity		
Interest payable	14,467	15,220
Interest received	(59)	(64)
Net cash generated from Operating activities	<u>19,731</u>	<u>22,065</u>

16. Accommodation in management

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

	2017	2016
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 2017 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 (2016: £nil).

19. Capital commitments

At 31st March 2017 there were no capital commitments (2016: none).

20. Related parties

During the year, expenses of £35 were reimbursed to 1 trustees (2016: £425 to 3 trustees) and expenses of £245 were reimbursed to a company in which a trustee has an interest (2016: £nil)

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:

	2017 £	2016 £
Financial assets measured at amortised cost:		
- Cash at bank and in hand	51,541	46,218
	<u>51,541</u>	<u>46,218</u>
Financial liabilities measured at amortised cost		
- Other creditors (note 9)	14,069	10,234
- Bank and other Loans (note 12)	350,610	362,729
	<u>364,679</u>	<u>372,963</u>

The total interest income for financial assets that are measured at amortised cost was £59 (2016: £64). The total interest expense for financial liabilities that are measured at amortised cost was £14,467 (2016: £15,220).