

# Financial Statements

For the year ended 31 August 2020

**West London Mission  
Housing Association Limited**

# West London Mission Housing Association Limited

## Contents

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	Page
Directors' report	1–3
Independent Auditor's report	4-6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Association Statement of Financial Position	9
Consolidated Statement of Cash Flows	10
Notes to the financial statements	11-25

## **West London Mission Housing Association Limited**

### **Company information**

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#### **Directors**

Rev P Cornick  
Rev N Cowgill  
Rev A J Dart  
Mr J M Furniss  
Mr J C Hicks  
Mr J S Neilson  
Mr R Ovenden  
Mr M J Single  
Ms ACJ Siow  
Mr G T Slater  
Rev P Weary

#### **Secretary**

Ms C Dance

#### **Registered office**

19 Thayer Street  
London  
W1U 2QJ

#### **Registered company number**

495241

#### **Registered charity number**

281929

#### **Regulator of Social Housing registration number**

LH3373

#### **Auditors**

Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

**West London Mission Housing Association Limited**

**Directors’ report  
For the year ended 31 August 2020**

The directors present their report and the consolidated financial statements for the year ended 31 August 2020.

**Principal activities**

The company is a charitable housing association limited by guarantee. Its principal activities are:

- Those of a housing association whose properties are used in connection with housing people with special needs, and
- Those of trustee of the West London Mission Donald Soper Fund.

These financial statements incorporate the financial statements of the individual housing and community services located in the properties mentioned therein.

These financial statements also incorporate the incoming resources, resources expended, and the assets and liabilities of the West London Mission Donald Soper Fund. The object of the Fund is to support the charitable housing and community services of the West London Mission Circuit of the Methodist Church (“the Circuit”), commonly known as WLM Services.

The company is the registered owner of various properties in which the housing and community services of the West London Mission are carried on. The staff of all these services are jointly employed by the company and the West London Mission Circuit.

The West London Mission Circuit manages the following properties owned by the company and the resulting surplus or deficit (except for amortisation and depreciation on housing properties, amounts set aside for dilapidations and surplus on disposal of properties) is passed to the West London Mission Circuit.

During the period under review the occupants of each property were as follows:-

<p>WLM St Luke’s Centre 25A Wincott Street London SE11</p>	<p>It is a service focussing on digital and financial inclusion for residents in Kennington as well as a 26 bedroom residential space developed in partnership with the Pret Foundation Trust for their ‘Rising Stars’ programme and for key workers.</p>
<p>WLM The Haven 280 Holly Park London N4</p>	<p>It provides specialist residential care for men with long term alcohol dependency.</p>
<p>WLM Burgess Park House 56 Camberwell Road London SE5</p>	<p>It provides supported housing for ex-service people who have experienced homelessness offering support in sustaining accommodation.</p>
<p>WLM Cherry Tree House 343 Clapham Road London SW9</p>	<p>It provides follow on accommodation for residents of Burgess Park House to move on to their own flat when ready for independent living.</p>

The company leased the following property to the Trustees for Methodist Church Purposes for a term of ten years from 1 April 2005, and a new lease is to be put in place with effect from 1 April 2015, the West London Mission Circuit Meeting being the managing trustees for that term:

<p>WLM Katherine Price Hughes House 28 Highbury Grove London N5</p>	<p>It is an "approved premise" under the Criminal Justice and Courts Service Act 2000 and provides housing and support services for men released from custody on licence.</p>
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## **West London Mission Housing Association Limited**

### **Directors' report (continued) For the year ended 31 August 2020**

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#### **Directors**

The members set out below have held office during the whole of the period from 1 September 2019 to the date of this report unless otherwise stated:

Rev P Cornick  
Rev N Cowgill  
Rev A J Dart  
Mr J M Furniss  
Mr J C Hicks  
Mr J S Neilson  
Mr R Ovenden  
Mr M J Single  
Ms A C J Siow  
Mr G T Slater  
Rev P Weary

The amount guaranteed by each director in the event of the winding-up of the company is £1.

#### **Directors' responsibilities**

Registered Providers' legislation requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the Association and the group as at the end of the financial period and of the income and expenditure of the group for the period ended on that date. In preparing those financial statements, suitable accounting policies have been used, framed, to the best of the directors' knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The directors are also required to indicate where the financial statements are prepared other than on the basis that the Association is a going concern.

The directors are responsible for ensuring that arrangements are made for keeping proper books of account with respect to the Association's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the Association's books of account and transactions. The directors are also responsible for ensuring that arrangements are made to safeguard the assets of the Association and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Value for Money statement**

We are committed to providing excellent services that offer real value to our service users at a reasonable cost to funders. Our policy is to cover the full cost of services including proper provision for cyclical repairs. We benchmark our staff costs against comparable roles in the public and voluntary sector, and aim to develop the talents of all staff by a disciplined performance management process. We employ a Head of Central Services to ensure value for money in contracting for purchases of goods and services, and undertake competitive tendering for major works to properties. As far as feasible we focus on energy efficiency.

**West London Mission Housing Association Limited**

**Directors' report (continued)  
For the year ended 31 August 2020**

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**Statement as to disclosure of information to auditors**

We have taken all the necessary steps to make ourselves aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

This report has been prepared in accordance with the special provisions of S414 (3) of the Companies Act 2006 relating to small companies.

**Brexit**

The directors believe that the Association will not be affected by the UK's departure from the European Union, because all of its activities are within the UK, and any staff who are EU citizens will continue working in the UK.

**Auditors**

Moore Kingston Smith LLP were appointed as auditors in September 2020 following a competitive tender process. They have signified their willingness to continue in office and a resolution to re-appoint Moore Kingston Smith LLP as auditors to the company will be proposed at the Annual General Meeting.

Approved by the Board on 15 February 2021 and signed on its behalf by



.....  
Mr M Single

Director

## **West London Mission Housing Association Limited**

### **Independent auditor's report to the members of West London Mission Housing Association Limited**

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#### **Opinion**

We have audited the financial statements of West London Mission Housing Association Limited ('the company') for the year ended 31 August 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Association Statements of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 the Financial Reporting Standard applicable to the UK and Republic of Ireland, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

## **West London Mission Housing Association Limited**

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have 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 company 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 directors 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' Annual Report and from preparing a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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



## West London Mission Housing Association Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

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

*Moore Kingston Smith LLP*

Andrew Stickland (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 9 April 2021  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**West London Mission Housing Association Limited**

**Consolidated Statement of Comprehensive Income  
For the year ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	1,521,734	1,339,299
Operating costs	<b>3</b>	(1,751,885)	(1,513,082)
<b>Operating (deficit)</b>	<b>3</b>	(230,151)	(173,783)
Other income		234,922	206,932
Interest payable and similar charges		(45,386)	(64,228)
Change in fair value of investments		(15,254)	3,025
<b>(Deficit) on ordinary activities before taxation</b>	<b>5</b>	(55,869)	(28,054)
Tax on ordinary activities		-	-
<b>(Deficit) for the year</b>		(55,869)	(28,054)
Transfer from designated reserves		39,580	39,534
<b>(Deficit) for the year carried forward</b>		(16,289)	11,480
Balance brought forward at 1 September 2019		283,942	272,462
<b>Balance carried forward at 31 August 2020</b>		267,653	283,942

The Association's results all relate to continuing activities. The Association has no recognised surpluses or deficits other than the deficit for the current or prior year.

# West London Mission Housing Association Limited

## Consolidated Statement of Financial Position as at 31 August 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Housing properties – at cost	8	7,060,941	7,006,061
Less: Depreciation	8	(2,331,479)	(2,206,700)
Total Housing properties		4,729,462	4,799,361
<b>Investments</b>	9	257,926	263,171
<b>Current assets</b>			
Debtors	11	291,299	390,245
Cash at bank and in hand		16,876	20,434
		308,175	410,679
<b>Creditors: Amounts falling due within one year</b>	12	(738,122)	(724,908)
<b>Net current (liabilities)</b>		(429,947)	(314,229)
<b>Total assets less current liabilities</b>		4,557,441	4,748,303
<b>Creditors – amounts falling due after more than one year</b>			
Loans and mortgages	13	(872,077)	(897,919)
Government grants		(2,468,709)	(2,577,760)
<b>Net assets</b>		1,216,655	1,272,624
<b>Reserves</b>	14	1,216,655	1,272,624

These financial statements have been prepared in accordance with the special provisions of S.414 (3) of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Board on 15 February 2021 and signed on its behalf by



Mr G T Slater, Director



Mr M Single, Director

# West London Mission Housing Association Limited

## Association Statement of Financial Position as at 31 August 2020

	Notes	2020 £	Restated 2019 £
<b>Fixed assets</b>			
Housing properties – at cost	8	7,060,941	7,006,061
Less: Depreciation	8	(2,331,479)	(2,206,700)
Total Housing properties		<u>4,729,462</u>	<u>4,799,361</u>
<b>Current assets</b>			
Debtors	11	289,504	380,350
Cash at bank and in hand		9,044	9,558
		<u>298,548</u>	<u>389,908</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(738,122)</u>	<u>(724,908)</u>
<b>Net current (liabilities)</b>		<u>(439,574)</u>	<u>(335,000)</u>
<b>Total assets less current liabilities</b>		<u>4,289,888</u>	<u>4,464,361</u>
<b>Creditors – amounts falling due after more than one year</b>			
Loans and mortgages	13	(872,077)	(897,919)
Government grants		(2,468,709)	(2,577,760)
<b>Net assets</b>		<u>949,102</u>	<u>988,681</u>
<b>Reserves</b>	14	<u>949,102</u>	<u>988,681</u>

These financial statements have been prepared in accordance with the special provisions of S.414 (3) of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Board on 15 February 2021 and signed on its behalf by



Mr G T Slater, Director



Mr M Single, Director

## West London Mission Housing Association Limited

### Consolidated Statement of Cash Flows for the year ended 31 August 2020

	2020 £	2019 £	
<b>Cash outflows from operating activities</b>			
Deficit for the financial year	(183,639)	(209,999)	
Depreciation charge	124,779	106,167	
Amortisation credit	(109,051)	(109,049)	
Decrease / (increase) in debtors	98,844	(20,530)	
Increase in creditors	13,216	122,088	
<b>Net cash generated from operating activities</b>	<u>(55,851)</u>	<u>(111,323)</u>	
<b>Cash flows from investing activities</b>			
Interest and rent received	188,410	197,952	
Purchase of investments	(10,009)	(10,014)	
	(87,750)	(45,196)	
Purchase of fixed assets	32,870		
Disposal of fixed assets		37,663	
<b>Net cash inflows from investing activities</b>	<u>123,521</u>	<u>180,405</u>	
<b>Cash flows from financing activities</b>			
Interest paid	(45,386)	(64,228)	
Loan repaid	(25,842)	(6,855)	
<b>Net cash (outflows) from financing activities</b>	<u>(71,228)</u>	<u>(71,083)</u>	
<b>Net (decrease) in cash and cash equivalents</b>	(3,558)	(2,001)	
Cash and cash equivalents at beginning of year	20,434	22,435	
Cash and cash equivalents at end of year	<u>16,876</u>	<u>20,434</u>	
Cash and cash equivalents comprise:			
Cash at bank and in hand	<u>16,876</u>	<u>20,434</u>	
<b>Analysis of changes in net (debt)</b>			
	<b>At 1.09.19</b>	<b>Cashflows</b>	<b>At 31.08.20</b>
	£	£	£
Cash at bank and in hand	20,434	(3,558)	16,876
Loans due within one year	(212,842)	-	(212,842)
Loans due after one year	(897,919)	25,842	(872,077)
Net debt	<u>(1090,327)</u>	<u>22,284</u>	<u>(1,068,043)</u>

# West London Mission Housing Association Limited

## Notes to the financial statements For the year ended 31 August 2020

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### 1. Status of the company

The company is incorporated under the Companies Act 2006 and is a company limited by guarantee, without a share capital. It is also a registered charity, registration number 281929, and as such is exempt from corporation tax.

It is also registered with the Regulator of Social Housing, registration number LH3373, in accordance with section 5 of the Housing Association Act 1996, as it is engaged in housing activities as defined in that Act.

The Directors have assessed whether the use of the going concern basis is appropriate and considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the financial statements and have considered the potential impact of the Covid-19 pandemic. In particular, the Directors have taken account of pressures on income and the likely impact of the pandemic on expenditure. West London Mission Circuit continues to provide support to the Company and have confirmed that they will continue to support the Company for the foreseeable future and at least for 12 months from approval of these financial statements. On this basis the Directors have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### 2a. Accounting policies

#### a) General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Housing SORP 2018 or where silent, the Charities SORP 2018, and comply with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

In accordance with the small companies regime, the company has taken advantage of the exemption available, by virtue of its size, from the requirement to prepare a Strategic Report.

These financial statements incorporate the financial statements of the individual housing and community services located in the properties mentioned therein.

The Association is the sole Trustee of The Donald Soper Fund and so as required by the Charities SORP, these financial statements incorporate the income, expenditure, assets and liabilities of the West London Mission Donald Soper Fund, on a line by line basis. This is the first year that the West London Mission Donald Soper Fund has been consolidated following a review of accounting policies. The prior year figures have been restated to incorporate the result of the West London Mission Donald Soper Fund for the prior year.

The West London Mission Circuit manages the properties owned by the company and the resulting surplus or deficit (except for amortisation and depreciation on housing properties, amounts set aside for dilapidations and surplus on property disposals) is passed to or financed by the West London Mission Circuit.

#### b) Property, plant and equipment - housing properties

Housing properties are shown at cost, including associated legal fees and charges and other expenses of a capital nature. Component accounting has been adopted as recommended by the Statement of Recommended Practice (SORP) relating to housing properties and properties have been split into land, structure, roof, electrics, central heating and kitchen.

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

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The components of the properties are shown at cost. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred on improvements, which comprise the modernisation and extension of existing properties. Interest on mortgage loans financing development is capitalised up to the date of practical completion of each scheme.

Each identified component is depreciated over its useful economic life as follows:

Land	Not depreciated	
Structure	50	Years
Roof	30	Years
Electrics	25	Years
Central heating	15	Years
Kitchens	10	Years

Any permanent diminution in the value of such properties is charged to the Statement of Comprehensive Income as appropriate.

#### c) Social Housing Grant and other government grants

Where grants are received from government agencies such as the Homes and Communities Agency, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

Government grants are recognised as revenue when the grant proceeds are received or receivable. Where a grant imposes specified future performance-related conditions it is recognised as revenue when the performance-related conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. Where government grant is provided for the construction of housing properties within a specific scheme, then the performance related condition is met when the construction of the housing properties is complete.

#### d) Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

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On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

#### e) **Furnishing, fittings and equipment**

All small additions and replacements for all projects are written off in the period of purchase, with the exception of major items which are written off over 3 to 5 years.

#### f) **Reserves**

The property equity reserve is to record realised gains on the disposal of properties and absorbs the depreciation charge.

The cyclical maintenance reserve is based on the association's obligation to provide on a continuing basis for the repairs and maintenance of its properties, based on a planned programme of works.

#### g) **Taxation**

The company has been granted charitable status and is not liable to corporation tax on its activities for the year.

#### h) **Turnover**

Turnover represents room fees and service charges receivable net of voids, revenue grants and other income. The other income relates primarily to other grants. Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met. Turnover arises solely within the United Kingdom.

#### i) **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

#### **Financial assets carried at amortised cost**

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.



## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

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#### **Financial liabilities carried at amortised cost**

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

#### **Financing transactions – rent arrears**

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are derecognised as a financial asset and a new financial asset measured at the present value of the future payments discounted at an appropriate market rate of interest. The present value adjustment is recognised in surplus or deficit in the Statement of Comprehensive Income.

A review has been undertaken on all residents who currently have a payment plan in place for rent arrears. Following assessment, it has been confirmed that the payment plan totals are not material, and therefore no adjustment has been necessary in the financial statements.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits.

#### **j) Investments**

Investments are included in the balance sheet at market value.

All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities.

Realised gains or losses on investments are calculated as the difference between the disposal proceeds and market value at the beginning of the year. Unrealised gains or losses are derived from the movement in market values during the year.

#### **2b. Significant management judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## **West London Mission Housing Association Limited**

### **Notes to the financial statements For the year ended 31 August 2020**

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#### **Significant management judgements**

The following are management judgements in applying the accounting policies of the Association that have the most significant effect on the amounts recognised in the financial statements.

#### **Estimation uncertainty**

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

#### **Fair value measurement**

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

**West London Mission Housing Association Limited**

**Notes to the financial statements  
For the year ended 31 August 2020**

**3. Turnover, operating costs and operating surplus /(deficit)**

	<b>Turnover</b>	<b>2020 Operating costs</b>	<b>Operating surplus/ (deficit)</b>	<b>Turnover</b>	<b>2019 Operating costs</b>	<b>Operating surplus/ (deficit)</b>
	£	£	£	£	£	£
<b>Income and expenditure from lettings</b>						
Housing accommodation	1,143,440	1,643,810	(500,370)	1,261,092	1,467,570	(206,478)
<b>Other income and expenditure</b>						
Other	378,294	108,075	270,219	78,207	45,512	32,695
	<u>1,521,734</u>	<u>1,751,885</u>	<u>(230,151)</u>	<u>1,339,299</u>	<u>1,513,082</u>	<u>(173,783)</u>

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

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#### 4. Income and expenditure from lettings

	<b>2020</b> Supported housing £	<b>2019</b> Supported housing £
<b>Income</b>		
Rent and service charges receivable	1,055,885	1,034,995
Voids	(115,935)	(28,138)
	<hr/>	<hr/>
Net rental income	939,950	1,006,857
Government grants taken to income	203,490	254,235
	<hr/>	<hr/>
Turnover from lettings	1,143,440	1,261,092
	<hr/>	<hr/>
<b>Operating expenditure</b>		
Services	1,169,741	1,011,023
Management	395,136	310,379
Routine maintenance	78,933	146,168
	<hr/>	<hr/>
Operating costs on lettings	1,643,810	1,467,570
	<hr/>	<hr/>
Operating (deficit) on lettings	(500,370)	(206,478)
	<hr/> <hr/>	<hr/> <hr/>

#### 5. (Deficit) on ordinary activities

	<b>2020</b> £	<b>2019</b> £
(Deficit) on ordinary activities for the year is stated after charging:		
Depreciation on tangible fixed assets	149,999	106,167
Amortisation of social housing grant	(109,051)	(109,049)
Auditors' remuneration:-		
In their capacity as external auditors	11,340	9,765
	<hr/> <hr/>	<hr/> <hr/>

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

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#### 6. Staff costs

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	774,363	738,015
Social security costs	65,752	65,189
Other pension costs	56,940	60,063
	<u>897,055</u>	<u>863,267</u>

The above includes termination and redundancy payments of £29,367.

Average number of full time equivalent persons employed during the year:

	<b>Number</b>	<b>Number</b>
Management	2	3
Services	21	21
	—	—
Total FTE employees	<u>23</u>	<u>24</u>

Average number of staff employed during the year:

	<b>Number</b>	<b>Number</b>
Management	3	3
Services	25	24
	—	—
Total employees	<u>28</u>	<u>27</u>

No member of staff received any emoluments in excess of £60,000 in the current or prior year.

The Association makes payments to a group personal pension scheme for staff. The assets are held in an independently administered fund.

#### 7. Directors' emoluments

None of the directors received any emoluments or were reimbursed for any expenses during the current year or prior year.

Salaries of the senior management team and key management personnel are charged in the financial statements of West London Mission Circuit.

**West London Mission Housing Association Limited**

**Notes to the financial statements  
For the year ended 31 August 2020**

**8. Tangible fixed assets – Group and Association**

	Housing properties held for letting		Total £
	Freehold £	Leasehold £	
<b>Cost</b>			
At 31 August 2019	3,718,829	3,287,232	7,006,061
Additions	87,750	-	87,750
Disposals	(32,870)	-	(32,870)
<b>At 31 August 2020</b>	<b>3,773,709</b>	<b>3,287,232</b>	<b>7,060,941</b>
<b>Accumulated depreciation</b>			
At 31 August 2019	716,054	1,490,646	2,206,700
Charge for the year	76,449	73,550	149,999
Released on disposals	(25,220)	-	(25,220)
<b>At 31 August 2020</b>	<b>767,283</b>	<b>1,564,196</b>	<b>2,331,479</b>
<b>Net book value</b>			
<b>At 31 August 2020</b>	<b>3,006,426</b>	<b>1,723,036</b>	<b>4,729,462</b>
<b>At 31 August 2019</b>	<b>3,002,775</b>	<b>1,796,586</b>	<b>4,799,361</b>

The leasehold interest in the St Luke's Centre, 25A Wincott Street, London SE11 passed to the Association on 1 September 1995. The lease is for a term of 99 years commencing on 27 January 1989. The leasehold interest in Burgess Park House, 56 Camberwell Road, London SE5 is also for the term of 99 years and commenced on 28 September 2001.

**9. Investments - Group**

	<b>2020</b> £
At 1 September 2019	263,171
Additions	10,009
Disposals	-
Movement in market values	(15,254)
<b>At 31 August 2020</b>	<b>257,926</b> =====

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

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The above total comprised:

CFB units:

UK Equity Fund	94,370
Corporate Bond Fund	105,884
Property Investment Fund	57,672

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257,926

Cost at 31 August 2020

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220,098

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#### 10. Subsidiary Undertakings

The results and financial position of the West London Mission Donald Soper Fund are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Statement of financial activities</b>		
<b>Income from</b>		
Donations and legacies	39,100	150
Investments	7,412	8,830
	<hr/> 46,512	<hr/> 8,980
<b>Expenditure on</b>		
Raising Funds	(547)	(525)
Charitable activities	(47,000)	-
	<hr/> (47,547)	<hr/> (525)
Net gains/(losses) on investments	(15,254)	3,025
<b>Net income/(expenditure)</b>	<hr/> (16,289)	<hr/> 11,480

**West London Mission Housing Association Limited**

**Notes to the financial statements  
For the year ended 31 August 2020**

**10. Subsidiary Undertakings  
(continued)  
Balance Sheet**

	<b>2020</b>	<b>2019</b>
<b>Fixed assets</b>	<b>£</b>	<b>£</b>
Investments	<u>257,926</u>	<u>263,171</u>
<b>Current assets</b>		
Debtors	1,795	9,895
Cash at bank and in hand	<u>7,832</u>	<u>10,876</u>
	<u>9,627</u>	<u>20,771</u>
<b>Net assets</b>	<u><u>267,553</u></u>	<u><u>283,942</u></u>
<b>Funds</b>	<u><u>267,553</u></u>	<u><u>283,942</u></u>

11. Debtors	<b>Association</b>		<b>Group</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	123,267	223,132	123,267	223,132
West London Mission Circuit Fund	166,238	157,218	168,032	167,113
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>289,505</u>	<u>380,350</u>	<u>291,299</u>	<u>390,245</u>



**West London Mission Housing Association Limited**

**Notes to the financial statements  
For the year ended 31 August 2020**

**12. Creditors: Amounts falling due within one year**

	2020	Restate d 2019	2020	Restate d 2019
	£	£	£	£
Trade creditors	114,946	59,602	114,946	59,602
Accruals	11,340	9,765	11,340	9,765
Housing loans (see note 13)	212,842	212,842-	212,842	212,842-
West London Mission - WLM Services	197,164	121,345	197,164	121,345
Hinde Street Methodist Church	13	13	13	13
West London Mission Circuit Fund	201,817	321,342	201,817	321,342
	<u>738,122</u>	<u>724,908</u>	<u>738,122</u>	<u>724,908</u>
	=	=	=	=

**13. Creditors: Amounts falling due after more than one year**

	2020	Restated 2019	2020	Restated 2019
	£	£	£	£
Housing loans	872,077	897,919	872,077	897,919
Government grants	2,468,709	2,577,760	2,468,709	2,577,760
	<u>3,340,786</u>	<u>3,475,679</u>	<u>3,340,786</u>	<u>3,475,679</u>
	=	=	=	=

In respect of the housing loans £852,077 (2019: £877,919) represents the balance outstanding under a loan from the West London Mission Circuit in 2001 for the purchase of The Haven. The loan is secured by a charge over the property and is repayable in instalments commencing at £20,000 per annum, both principal and repayments being index linked. Interest is payable at 4.5%. None (2019: £nil) of this liability is included in creditors due within one year.

The remaining £20,000 consists of an interest-free loan or repayable grant from the Home Office on the erection of Katherine Price Hughes House in 1974. It is not repayable while the building continues to be used as an approved premise.

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

	2020 £'000	2019 £'000
<b>Government grants</b>		
At 1 September 2019	2,577,760	2,686,809
Amortisation to Statement of Comprehensive Income	(109,051)	(109,049)
At 31 August 2020	<u>2,468,709</u>	<u>2,577,760</u>

Government grants may become payable, if a Registered Provider sells an asset, to which a grant was attached, and then fails to recycle it with alternative social housing properties within three years.

The total accumulated amount of capital grant received or receivable at the Statement of Financial Position date is £3,921,446.

#### 14. Reserves

	Restricted Donald Soper Fund £	Property equity reserve £	Designated reserves		Total £
			Cyclical maintenance reserve £	Income & expenditure £	
At 1 September 2019	283,943	831,463	112,022	-	1,227,428
Prior year adjustment		-	45,196	-	45,196
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As re-presented	283,943	831,463	157,218	-	1,272,624
(Deficit) for the year	(16,289)	-	-	(39,580)	(55,869)
Transfers between reserves					
- Depreciation / amortisation		(48,598)	-	48,598	-
- Provision for maintenance		-	31,000	(31,000)	-
- Charged to maintenance reserve			(21,982)	21,982	-
At 31 August 2020	<u>267,654</u>	<u>782,865</u>	<u>166,236</u>	<u>-</u>	<u>1,216,755</u>
	=				

The prior year adjustment reflects repairs expenditure capitalised in 2019.

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

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#### 15. Analysis of Net Assets

	<b>Restricted Funds</b>	<b>Designated Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets		4,729,462	4,729,462
Investments	257,926		257,926
Current assets	9,627	298,548	308,175
Creditors due within one year		(738,122)	(738,122)
Creditors due after one year		(3,340,786)	(3,340,786)
	<u>267,553</u>	<u>949,102</u>	<u>1,216,655</u>

#### 16. Units in management

	<b>2020 Number</b>	<b>2019 Number</b>
<b>Under management at end of year:</b>		
Housing accommodation – bed spaces	44	44
	<u>44</u>	<u>44</u>

## West London Mission Housing Association Limited

### Notes to the financial statements For the year ended 31 August 2020

#### 17. Related party transactions

The West London Mission Circuit (including housing and community services controlled by the Circuit) has trustees in common with the Association and is therefore considered to be a related party. The Circuit is not considered to be under common control with the Association as a minority of the Association's board members are trustees of the Circuit.

During the year, the Association undertook the following transactions with related parties:

Details	Value of transactions during year		Amount owed to/(by) WLM Housing Association	
	2020 £	2019 £	2020 £	2019 £
<b>West London Mission Circuit</b>				
			(1,064,919)	(1,090,761)
Housing loans	(25,842)	(6,855)		
Indexation on housing loans	4,815	23,349	-	-
Interest on housing loans	39,506	40,879	-	-
Administration charges	-	11,852	-	-
Project deficit / (surplus) grant	213,175	(37,525)	-	-
Settlement account	-	-	(201,817)	(321,342)
Debtor (dilapidations balances)	9,018	(4,754)	166,236	157,218
<b>WLM Services</b>				
Rental income received from KPH House	131,040	131,040		
Settlement account	-	-	(197,167)	(121,345)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>