

Financial Statements

For the year ended 31 August 2021

**West London Mission
Housing Association Limited**

West London Mission Housing Association Limited

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West London Mission Housing Association Limited

Company information

Directors

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

Secretary

Ms C Dance

Registered office

19 Thayer Street
London
W1U 2QJ

Registered company number

00495241

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 2021**

The directors present their report and the consolidated financial statements for the year ended 31 August 2021.

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 service at WLM The Haven was closed in September 2021 and the residents successfully moved to other providers. The Association is considering the future use of the property in line with its objectives.

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:

West London Mission Housing Association Limited

WLM Katherine Price Hughes House
28 Highbury Grove
London N5

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.

Directors' report (continued) For the year ended 31 August 2021

Directors

The members set out below have held office during the whole of the period from 1 September 2020 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 (died 11 March 2022)
Mr J S Neilson
Mr R Ovenden
Mr M J Single
Ms A C J Siow
Mr G T Slater
Rev P Weary (to 14 February 2022)

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

We record with great sadness the death of John Hicks and acknowledge with gratitude his many years of service to the Association.

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 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 2021

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.

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 18 May 2022 and signed on its behalf by



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Mr M Single

Director

West London Mission Housing Association Limited

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

Opinion

We have audited the financial statements of West London Mission Housing Association Limited ('the company') for the year ended 31 August 2021 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 parent charitable company's affairs as at 31 August 2021 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 and the Charities Act 2011 .

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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

West London Mission Housing Association Limited

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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' 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

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

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

West London Mission Housing Association Limited

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council

West London Mission Housing Association Limited

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

26 May 2022

West London Mission Housing Association Limited

Consolidated Statement of Comprehensive Income For the year ended 31 August 2021

	Notes	2021 £	2020 £
Turnover	3	1,354,490	1,521,734
Operating costs	3	(2,337,294)	(1,751,885)
Operating (deficit)	3	(982,804)	(230,151)
Other income		1,067,671	234,922
Interest payable and similar charges		(80,370)	(45,386)
Change in fair value of investments		27,652	(15,254)
Surplus/(Deficit) on ordinary activities before taxation	5	32,149	(55,869)
Tax on ordinary activities		-	-
Surplus/(Deficit) for the year		32,149	(55,869)
Transfer from designated reserves		15,319	39,580
Surplus/(Deficit) for the year carried forward		47,468	(16,289)
Balance brought forward at 1 September 2020		267,653	283,942
Balance carried forward at 31 August 2021		315,121	267,653

The Association's results all relate to continuing activities, except that the service at The Haven ceased in early September 2021. 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 2021

	Notes	2021 £	2020 £
Fixed assets			
Housing properties – at cost	8	7,060,941	7,060,941
Less: Depreciation	8	(2,478,965)	(2,331,479)
Total Housing properties		4,581,976	4,727,462
Investments			
	9	295,593	257,926
Current assets			
Debtors	11	349,754	291,399
Cash at bank and in hand		25,897	16,876
		375,651	308,275
Creditors: Amounts falling due within one year			
	12	(725,287)	(738,122)
Net current (liabilities)			
		(349,636)	(429,847)
Total assets less current liabilities			
		4,527,933	4,557,541
Creditors – amounts falling due after more than one year			
Loans and mortgages	13	(919,373)	(872,077)
Government grants		(2,359,657)	(2,468,709)
Net assets			
		1,248,903	1,216,755
Reserves			
	14	1,248,903	1,216,755

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 18 May 2022 and signed on its behalf by



Mr M Single, Director

West London Mission Housing Association Limited

Association Statement of Financial Position as at 31 August 2021

	Notes	2021 £	2020 £
Fixed assets			
Housing properties – at cost	8	7,060,941	7,060,941
Less: Depreciation	8	(2,478,965)	(2,331,479)
Total Housing properties		<u>4,581,976</u>	<u>4,729,462</u>
Current assets			
Debtors	11	347,857	289,504
Cash at bank and in hand		8,266	9,044
		<u>356,123</u>	<u>298,548</u>
Creditors: Amounts falling due within one year	12	<u>(725,287)</u>	<u>(738,122)</u>
Net current (liabilities)		<u>(369,164)</u>	<u>(439,547)</u>
Total assets less current liabilities		<u>4,212,812</u>	<u>4,289,888</u>
Creditors – amounts falling due after more than one year			
Loans and mortgages	13	(919,373)	(892,077)
Government grants		(2,359,657)	(2,468,709)
Net assets		<u><u>933,782</u></u>	<u><u>949,102</u></u>
Reserves	14	<u><u>933,782</u></u>	<u><u>949,102</u></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 18 May 2022 and signed on its behalf by



Mr M Single, Director

West London Mission Housing Association Limited

Consolidated Statement of Cash Flows for the year ended 31 August 2021

	2021 £	2020 £	
Cash outflows from operating activities			
Surplus / (deficit) for the financial year	65,051	(183,639)	
Depreciation charge	147,487	124,779	
Amortisation credit	(109,051)	(109,051)	
Decrease / (increase) in debtors	(58,355)	98,844	
(Decrease) / increase in creditors	(12,835)	13,216	
Net cash generated from operating activities	<u>32,297</u>	<u>(55,851)</u>	
Cash flows from investing activities			
Interest and rent received	19,816	188,410	
Purchase of investments	(10,018)	(10,009)	
Purchase of fixed assets	-	(87,750)	
Disposal of fixed assets	-	32,870	
Net cash inflows from investing activities	<u>9,798</u>	<u>123,521</u>	
Cash flows from financing activities			
Interest paid	(80,370)	(45,386)	
Increase in long term borrowings	47,296		
Loan repaid	-	(25,842)	
Net cash (outflows) from financing activities	<u>(33,074)</u>	<u>(71,228)</u>	
Net increase/(decrease) in cash and cash equivalents	9,021	(3,558)	
Cash and cash equivalents at beginning of year	16,876	20,434	
Cash and cash equivalents at end of year	<u>25,897</u>	<u>16,876</u>	
Cash and cash equivalents comprise:			
Cash at bank and in hand	<u>25,897</u>	<u>16,876</u>	
Analysis of changes in net (debt)			
	At 1.09.20	Cashflows	At 31.08.21
	£	£	£
Cash at bank and in hand	16,876	9,021	25,897
Loans due within one year	(212,842)	(1,064)	(213,906)
Loans due after one year	(872,077)	(47,296)	(919,373)
Net debt	<u>(1,068,043)</u>	<u>(39,339)</u>	<u>(1,107,382)</u>

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

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. 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 2019, 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.

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.

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

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

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.

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.

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

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.

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

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

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.

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.

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

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 2021**

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

	Turnover	2021 Operating costs	Operating surplus/ (deficit)	Turnover	2020 Operating costs	Operating surplus/ (deficit)
	£	£	£	£	£	£
Income and expenditure from lettings						
Housing accommodation	1,134,194	2,144,503	(1,010,309)	1,143,440	1,643,810	(500,370)
Other income and expenditure						
Other	220,296	192,791	27,505	378,294	108,075	270,219
	<u>1,354,490</u>	<u>2,337,294</u>	<u>(982,804)</u>	<u>1,521,734</u>	<u>1,751,885</u>	<u>(230,151)</u>

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

4. Income and expenditure from lettings

	2021 Supported housing £	2020 Supported housing £
Income		
Rent and service charges receivable	1,200,284	1,055,885
Voids	(282,390)	(115,935)
	<hr/>	<hr/>
Net rental income	917,894	939,950
Government grants taken to income	216,300	203,490
	<hr/>	<hr/>
Turnover from lettings	1,134,194	1,143,440
	<hr/>	<hr/>
Operating expenditure		
Services	1,776,843	1,169,741
Management	303,740	395,136
Routine maintenance	63,920	78,933
	<hr/>	<hr/>
Operating costs on lettings	2,144,503	1,643,810
	<hr/>	<hr/>
Operating (deficit) on lettings	(1,010,309)	(500,370)
	<hr/> <hr/>	<hr/> <hr/>

5. (Deficit) on ordinary activities

	2021 £	2020 £
(Deficit) on ordinary activities for the year is stated after charging:		
Depreciation on tangible fixed assets	147,487	149,999
Amortisation of social housing grant	(109,051)	(109,051)
Auditors' remuneration:-		
In their capacity as external auditors	12,900	11,340
	<hr/> <hr/>	<hr/> <hr/>

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

6. Staff costs

	2021 £	2020 £
Wages and salaries	496,992	774,363
Social security costs	41,619	65,752
Other pension costs	35,661	56,940
	<u>574,272</u>	<u>897,055</u>

The above includes termination and redundancy payments of £26,971.

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

	Number	Number
Management	2	2
Services	15	21
	—	—
Total FTE employees	17	23
	=	=

Average number of staff employed during the year:

	Number	Number
Management	2	3
Services	18	25
	—	—
Total employees	20	28
	=	=

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 2021**

8. Tangible fixed assets – Group and Association

	Housing properties held for letting		Total £
	Freehold £	Leasehold £	
Cost			
At 31 August 2020	3,773,709	3,287,232	7,060,941
Additions	-	-	-
Disposals	-	-	-
At 31 August 2021	3,773,709	3,287,232	7,060,941
Accumulated depreciation			
At 31 August 2020	767,283	1,564,196	2,331,479
Charge for the year	74,139	73,347	147,486
Released on disposals	-	-	-
At 31 August 2021	841,422	1,637,543	2,478,965
Net book value			
At 31 August 2021	2,932,287	1,649,689	4,581,976
At 31 August 2020	3,006,426	1,723,036	4,729,462

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

	2021 £
At 1 September 2020	257,926
Additions	10,018
Disposals	-
Movement in market values	27,652
At 31 August 2021	295,596 =====

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

The above total comprised:

CFB units:

UK Equity Fund	124,667
Corporate Bond Fund	109,751
Property Investment Fund	61,178

295,596

Cost at 31 August 2021

230,107

10. Subsidiary Undertakings

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

	2021	2020
	£	£
Statement of financial activities		
Income from		
Donations and legacies	13,556	39,100
Investments	6,790	7,412
	<hr/> 20,346	<hr/> 46,512
Expenditure on		
Raising Funds	(530)	(547)
Charitable activities	(-)	(47,000)
	<hr/> (530)	<hr/> (47,547)
Net gains/(losses) on investments	27,652	(15,254)
	<hr/> 47,468	<hr/> (16,289)
Net income/(expenditure)	<hr/> 47,468	<hr/> (16,289)

West London Mission Housing Association Limited

**Notes to the financial statements
For the year ended 31 August 2021**

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

	2021	2020
	£	£
Fixed assets		
Investments	<u>295,596</u>	<u>257,926</u>
Current assets		
Debtors	1,895	1,895
Cash at bank and in hand	<u>17,630</u>	<u>7,832</u>
	<u>19,525</u>	<u>9,727</u>
Net assets	<u><u>315,121</u></u>	<u><u>267,653</u></u>
Funds	<u><u>315,121</u></u>	<u><u>267,653</u></u>

11. Debtors

	Association		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	158,504	123,267	158,504	123,267
West London Mission Circuit Fund	189,353	166,238	191,250	168,132
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u><u>347,857</u></u>	<u><u>289,505</u></u>	<u><u>349,754</u></u>	<u><u>291,399</u></u>

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

12. Creditors: Amounts falling due within one year

	Association		Group	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	150,462	114,946	150,462	114,946
Accruals	11,340	11,340	11,340	11,340
Housing loans (see note 13)	213,906	212,842	213,906	212,842
West London Mission - WLM Services	134,849	197,164	134,849	197,164
Hinde Street Methodist Church	13	13	13	13
West London Mission Circuit Fund	214,717	201,817	214,717	201,817
	<u>725,287</u>	<u>738,122</u>	<u>725,287</u>	<u>738,122</u>
		=	=	=

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

	Association		Group	
	2021	2020	2021	2020
	£	£	£	£
Housing loans	919,373	872,077	919,373	872,077
Government grants	2,359,657	2,468,709	2,359,657	2,468,709
	<u>3,279,030</u>	<u>3,340,786</u>	<u>3,279,030</u>	<u>3,340,786</u>
		=	=	=

In respect of the housing loans £899,373 (2020: £852,077) 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 (2020: £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 2021

	2021 £'000	2020 £'000
Government grants		
At 1 September 2020	2,468,709	2,577,760
Amortisation to Statement of Comprehensive Income	(109,051)	(109,051)
At 31 August 2021	<u>2,359,657</u>	<u>2,468,709</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 2020	267,654	782,865	166,236	-	1,216,755
Surplus/(Deficit) for the year	47,468	-	-	(15,319)	32,149
Transfers between reserves					
- Depreciation / amortisation		(38,436)	-	38,436	-
- Addition to maintenance reserve		-	34,100	(34,100)	-
- Charged to maintenance reserve			(10,983)	10,983	-
At 31 August 2021	<u>315,121</u>	<u>744,429</u>	<u>189,353</u>	<u>-</u>	<u>1,248,903</u>

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

15. Analysis of Net Assets

	Restricted Funds	Designated Funds	Total
	£	£	£
Fixed assets		4,581,970	4,581,970
Investments	295,596		295,596
Current assets	19,525	356,129	375,654
Creditors due within one year		(725,287)	(725,287)
Creditors due after one year		(3,279,030)	(3,279,030)
	<u>315,121</u>	<u>933,782</u>	<u>1,248,903</u>

16. Units in management

	2021 Number	2020 Number (restated)
Under management at end of year:		
Housing accommodation – bed spaces	71	71
	<u>71</u>	<u>71</u>

West London Mission Housing Association Limited

Notes to the financial statements For the year ended 31 August 2021

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	
	2021 £	2020 £	2021 £	2020 £
West London Mission Circuit				
Housing loans	(48,360)	(25,842)	(1,113,279)	(1,064,919)
Indexation on housing loans	40,985	4,815	-	-
Interest on housing loans	39,385	39,506	-	-
Administration charges	-	-	-	-
Settlement account	-	-	(214,717)	(201,817)
Debtor (dilapidations balances)	23,117	9,018	189,353	166,236
WLM Services				
Project deficit grant	938,804	213,175		
Rental income received from KPH House	131,040	131,040		
Settlement account	-	-	(134,849)	(197,167)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>