

Financial Conduct Authority registration number 30604R  
Registered Provider number 4638

**WESTMINSTER COMMUNITY HOMES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# WESTMINSTER COMMUNITY HOMES LIMITED

## INFORMATION

---

**Directors** James Green - Chair WCC nominee  
Olivia Harris - WCC nominee  
Thomas Harding - WCC Nominee  
Dermot Moloney - WCC Nominee

**Secretary** Steve Moore

**FCA registration number** 30604R

**Registered Provider number** 4638

**Registered office** 12th Floor Westminster City Hall  
64 Victoria Street  
London  
SW1E 6QP

**Auditors** Jones Avens Limited  
Piper House  
4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX

**Bankers** Lloyds TSB  
Public and Community Sector  
3rd Floor  
25 Gresham Street  
London  
EC2V 7HN

**Solicitors** Devonshires Solicitors LLP  
30 Finsbury Circus  
London  
EC2M 7DT

---

# WESTMINSTER COMMUNITY HOMES LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1 - 2
Board report	3 - 4
Directors' responsibilities statement	5
Independent Auditor's report	6 - 9
Income and expenditure account	10
Balance sheet	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 29

---

# WESTMINSTER COMMUNITY HOMES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2022**

---

The Directors present the strategic report and financial statements for the year ended 31 March 2022.

### Objectives and activities

WCH was formed for the benefit of the community. It aims to create high quality sustainable homes which complement the local community and encourage thriving neighbourhoods.

Its objectives are to carry out for the benefit of the community:

- the provision of affordable housing for people who have housing need and appropriate associated facilities and amenities
- any other charitable object that can be carried out from time to time by a Co-operative and Community Benefit Society.

In order to achieve its objectives WCH works with Westminster City Council (WCC) to increase the provision of affordable housing and other related activities which assist in the delivery of the City Council's strategic housing objectives.

### Governance

WCH, like all Co-operative and Community Benefit Societies, is a 'not for profit' body, where the shareholders' derive no financial benefit and their rights are significantly less than in ordinary companies.

The three shareholders of WCH are:

- Westminster City Council (WCC)
- James Green
- Dermot Moloney

The key influence and future direction of the company is provided through the Board. The full Board numbers and composition comprises of 5 Westminster City Council nominees;

### Recruitment to the Board

Under the rules each Board member is elected for a fixed term of three years. No Board member can have a continuous period of office which exceeds 9 years. At the end of the fixed term Board members retire from office. The recent adoption of NHA Code of Governance provides for Board Members to normally serve only 6 years although this can be extended at WCH discretion. The Board currently comprise of two members who are now in their sixth year of service. A skills audit is also underway to inform the make-up of the Board as we move forward.

### Services

The Role of the City Council

- The City Council's Housing Team provides property management and maintenance services to WCH on a contractual basis.
- The City Council also provides accountancy services to WCH on a contractual basis.
- There is an Intra Group agreement between WCH and WCC as the Parent. This sets out the decisions taken by the Parent and those taken by the Board.
- All services required by WCH are provided through a cost share agreement with the City Council, agreements, and some external provision. WCH has individual loan agreements with the City Council who also retain the beneficial use of all units, through a nomination's agreement with WCH.

# WESTMINSTER COMMUNITY HOMES LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

---

### **Achievements 2021/22**

Activities undertaken during 2021/2022 have centered on three main areas, firstly, continuing to deliver the development programme through building out Victoria Wharf Phase 2 and progressing the MOT yard (581-587 Harrow Road to obtain planning permission, secondly, assisting the City Council with the acquisition of units from lessees affected by the estate regeneration proposals and thirdly, carrying out a comprehensive Governance review in order to ensure that WCH is in compliance with NHA Code Of Governance 2020. These projects are designed to ensure that WCH can assist the City Council with the successful delivery of its core strategic housing objectives and ensure that WCH is fit for purpose.

Key achievements in the year to 31 March 2022 are as follows:

- Acquisition of 5 in borough units for WCH spot purchase programme
- Acquisition by WCH directly of 11 units within the Church Street and Ebury renewal areas
- Successfully negotiated a further 13 units within the renewal areas which were then acquired directly by the City Council
- Progressed with the works to build out the scheme at Victoria Wharf phase 2 (20 Intermediate Rented units)
- Obtained planning permission for the MOT yard at 581-587 Harrow Road (25 Intermediate Rented units)
- Carried out a comprehensive review of compliance with the NHA Code of Governance 2020 and commenced the implementation of the results
- Continued to deliver most of the agreed Social Value programme (football training, youth clubs, and breakfast and homework clubs) despite the various Covid restrictions.

### **Stock position**

By the end of 2021/2022 WCH stock had increased to 504 units.

### **Tenancy types**

WCH stock as at the end of 2021/22 can be broken down across the following types of tenure:

- Assured Tenancies 289
- Assured Shorthold Tenancies 125
- Temporary Accommodation (in borough) 31
- Temporary Accommodation (out of borough) 29
- Shared Ownership 9
- Private Tenancies 1
- Regeneration 20

By order of the Board



.....  
S Moore  
**Secretary**

Date: 15<sup>th</sup> August .....

# WESTMINSTER COMMUNITY HOMES LIMITED

## BOARD REPORT

**FOR THE YEAR ENDED 31 MARCH 2022**

---

### Principal activities

The Association is a Co-operative and Community Benefit Society with charitable objectives and is registered with the Financial Conduct Authority (FCA). The principal activity of the Association continued to be that of the development, rental and management of social housing accommodation.

### Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

James Green - Chair WCC nominee

Olivia Harris - WCC nominee

Thomas Harding - WCC Nominee

Dermot Moloney - WCC Nominee

Cllr Susie Burbidge - WCC Nominee (Resigned 4 May 2022)

### Results

Westminster Community Homes' financial position is set out on pages 10 to 29 of this report and consists of an income and expenditure account for the year, a balance sheet and a cash flow statement. WCH prepared the accounts for 2020/21 under the Statement of Recommended Practice (SORP) for registered social housing providers.

### Directors' insurance

The Association maintains insurance policies on behalf of all the Directors against liability arising from negligence, breach of duty and breach of trust in relation to the Association.

### Auditor

The appointment of the Auditors for 2022/23 will be made following the tendering of this service.

### Statement of disclosure to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Association's Auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Association's Auditor is aware of that information.

### Governance and Financial viability Standard

WCH has previously applied the Code of Governance based upon the City Council's which is in line with CIPFA/ SOLACE Framework for Corporate Governance in Local Government. During 2021/22 the Board felt that this should be changed to NHA Code of Governance 2020 as being more appropriate for WCH and in order to ensure compliance a comprehensive review was undertaken.

# WESTMINSTER COMMUNITY HOMES LIMITED

## BOARD REPORT

**FOR THE YEAR ENDED 31 MARCH 2022**

---

### Value for money

Achieving value for money is a fundamental business strategy for WCH and like many smaller RP's whose resources are limited we aim to provide our services in the most cost-efficient way and ensuring that our residents receive the highest possible standard of services.

Our residents are a mixture of social rented tenants and Intermediate Renters for whom we adopt the same standard for their homes in line with a 'shared ownership' standard. Although, this is at a higher initial cost we have found that we have experienced lower rates of repairs and low turnover.

Due to Covid, WCH did not carry out a Residents Survey in 2020 or 2021 but the survey is underway for 2022. The most recent Residents Survey carried out in 2019 showed that 91% of residents were very or fairly satisfied with our overall service, 90% were satisfied with the quality of their home and 88% felt the rent charged represented value for money.

The VFM indicators are set out in the table below.

Regulator for Social Housing Indicator	2022	2021
Operating margin (overall)	1.93%	7.85%
Operating margin (social housing lettings)	4.15%	7.85%
EBITDA MRI (as % interest)	301.40%	148.45%
Gearing	1.98%	1%
New supply delivered (social housing units) [% of existing stock]	0.83%	1.85%
New supply delivered (Non-social housing units)	0%	0%
Reinvestment %	4.43%	2.3%
Return on Capital Employed (ROCE) %	0.32%	0.11%
Headline housing cost per unit	£6,637.04	£6,676.67

By order of the Board



.....  
S Moore

**Secretary**

15th August 2022

# **WESTMINSTER COMMUNITY HOMES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

---

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.



# WESTMINSTER COMMUNITY HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WESTMINSTER COMMUNITY HOMES LIMITED

---

#### Opinion

We have audited the financial statements of Westminster Community Homes Limited (the 'Association') for the year ended 31 March 2022 set out on pages 10 to 29. 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 Association's affairs as at 31 March 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022.

#### 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 Association 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. 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 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.

# WESTMINSTER COMMUNITY HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF WESTMINSTER COMMUNITY HOMES LIMITED

---

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

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

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Board Report.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records;
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Association'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 Association 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# WESTMINSTER COMMUNITY HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF WESTMINSTER COMMUNITY HOMES LIMITED

---

#### Identification and assessment of 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.

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the association, including the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework by making appropriate enquiries of management as well as considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we made enquiries of those charged with governance and management concerning:
  - the risks of fraud;
  - instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented during the period;
- we allocated an engagement team that we considered collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

#### Audit response to the risk of irregularities including fraud

Based on the results of our risk assessment, our procedures included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships.
- evaluating whether the selection and application of accounting policies by the entity that may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.
- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- testing of journal entries to address the risk of fraud through management override.
- incorporating an element of unpredictability in the selection of the nature, timing, and extent of our audit procedures.
- corroborating the business rationale for transactions outside the normal course of business.

# WESTMINSTER COMMUNITY HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF WESTMINSTER COMMUNITY HOMES LIMITED

---

#### Conclusions regarding the risks of irregularities including fraud

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We considered our audit was capable of detecting irregularities due to:

- the effectiveness of the entity's internal controls;
- the nature, timing and extent of audit procedures performed; and
- the absence of contradictory evidence.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Auditorsresponsibilities>. This description forms part of our Auditor's report.

#### Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jones Avens Limited**

25/08/2022

.....

**Chartered Accountants  
Statutory Auditor**

Piper House  
4 Dukes Court  
Bognor Road  
Chichester  
West Sussex  
PO19 8FX


# WESTMINSTER COMMUNITY HOMES LIMITED

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022


	Notes	2022 £	2021 £
Turnover		14,012,268	5,154,911
Cost of sales		(8,500,271)	-
<b>Gross surplus</b>		<b>5,511,997</b>	<b>5,154,911</b>
Administrative expenses		(5,512,527)	(5,303,346)
Surplus on disposal of tangible fixed assets	4	805,714	290,065
<b>Operating surplus</b>	<b>6</b>	<b>805,184</b>	<b>141,630</b>
Interest receivable and similar income	9	-	7,080
Interest payable and similar expenses	10	(410,587)	(460,896)
<b>Surplus/(deficit) before taxation</b>		<b>394,597</b>	<b>(312,186)</b>
Taxation	11	-	-
<b>Surplus/(deficit) for the financial year</b>		<b>394,597</b>	<b>(312,186)</b>
<b>Total comprehensive income for the year</b>		<b>394,597</b>	<b>(312,186)</b>

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.


Signed on behalf of the Board

  
.....  
Olivia Harris - WCC Nominee

**Director**

  
.....  
James Green –  
Chair WCC  
nominee

**Director**

  
.....  
Steve Moore

**Secretary**

# WESTMINSTER COMMUNITY HOMES LIMITED

## BALANCE SHEET


AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		125,677,426		123,770,304
<b>Current assets</b>					
Stocks	13	10,505,970		8,598,556	
Debtors	14	687,601		504,053	
Investments	15	85,500		145,500	
Cash at bank and in hand		4,800,446		6,987,221	
		<u>16,079,517</u>		<u>16,235,330</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(17,612,332)</u>		<u>(14,357,137)</u>	
Net current (liabilities)/assets			<u>(1,532,815)</u>		<u>1,878,193</u>
<b>Total assets less current liabilities</b>			<u>124,144,611</u>		<u>125,648,497</u>
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(113,728,952)</u>		<u>(115,627,435)</u>
<b>Net assets</b>			<u>10,415,659</u>		<u>10,021,062</u>
<b>Capital and reserves</b>					
Share capital	21		3		3
Income and expenditure reserve			10,415,656		10,021,059
<b>Total equity</b>			<u>10,415,659</u>		<u>10,021,062</u>

The financial statements were approved by the board of Directors and authorised for issue on 15/08/2022 and are signed on its behalf by:

  
.....  
Olivia Harris - WCC Nominee  
Director

  
.....  
James Green - Chair WCC nominee  
Director

  
.....  
S Moore  
Secretary

# WESTMINSTER COMMUNITY HOMES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

---

		Share Income and capital expenditure account reserve		Total
	Notes	£	£	£
<b>Balance at 1 April 2020</b>		3	10,333,245	10,333,248
<b>Year ended 31 March 2021:</b>				
Deficit and total comprehensive income for the year		-	(312,186)	(312,186)
			<hr/>	<hr/>
<b>Balance at 31 March 2021</b>		3	10,021,059	10,021,062
<b>Year ended 31 March 2022:</b>				
Surplus and total comprehensive income for the year		-	394,597	394,597
			<hr/>	<hr/>
<b>Balance at 31 March 2022</b>		3	10,415,656	10,415,659
			<hr/> <hr/>	<hr/> <hr/>

# WESTMINSTER COMMUNITY HOMES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	23		2,765,956		(323,570)
Interest paid			(410,587)		(460,896)
			<u>                    </u>		<u>                    </u>
<b>Net cash inflow/(outflow) from operating activities</b>			2,355,369		(784,466)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(5,505,838)		(2,699,124)	
Proceeds on disposal of tangible fixed assets		1,800,788		2,488,422	
Social housing grant received		42,000		1,216,000	
Proceeds on disposal of fixed asset investments		60,000		(85,500)	
Interest received		-		7,080	
		<u>                    </u>		<u>                    </u>	
<b>Net cash (used in)/generated from investing activities</b>			(3,603,050)		926,878
<b>Financing activities</b>					
Repayment of borrowings		(939,094)		(924,821)	
		<u>                    </u>		<u>                    </u>	
<b>Net cash used in financing activities</b>			(939,094)		(924,821)
<b>Net decrease in cash and cash equivalents</b>			(2,186,775)		(782,409)
Cash and cash equivalents at beginning of year			6,987,221		7,769,630
			<u>                    </u>		<u>                    </u>
<b>Cash and cash equivalents at end of year</b>			4,800,446		6,987,221
			<u>                    </u>		<u>                    </u>



# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

---

### **1 Accounting policies**

#### **Company information**

Westminster Community Homes Limited is a Co-operative and Community Benefit Society and a private registered provider of social housing in the United Kingdom. The registered office is 12th Floor Westminster City Hall, 64 Victoria Street, London, SW1E 6QP. The nature of the association's operations and principal activities are the development, rental and management of social housing accommodation.

The Association constitutes a public benefit entity as defined by FRS 102.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Statement of Recommended Practice for Social Housing Providers 2018 Update (SORP), and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is measured at the fair value of the consideration received or receivable net of discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants and the amortisation of government grants.

The disposal proceeds from the first tranche of shared ownership properties are included in turnover at the point of legal completion. The second and subsequent tranches are accounted for in administrative expenditure / operating income in the period in which the disposal occurs being the difference between the net sale proceeds and the net carrying value.

Turnover also includes the proceeds received on the sale of properties acquired for resale.

Interest income is recognised using the effective interest method and dividend income is recognised as the Association's right to receive payment is established.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### 1.4 Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leashold & freehold properties - main fabric      The life of the lease or 100 years as applicable

Leasehold and freehold properties in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in income and expenditure.

Major components of housing properties, such as lifts (20 years), double glazing (30 years), bathrooms (30 years) and kitchens (20 years), have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in housing properties.

The useful economic lives of all tangible fixed assets are reviewed annually.

##### 1.5 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered at scheme level. The key indicators considered are:

- A change in demand for a property.
- Obsolescence of a property.
- A change in government policy.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income. No such indications were noted and therefore no review was considered necessary.

##### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell and are comprised of properties purchased for resale.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Association's balance sheet when the Association becomes a party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

##### **Basic financial assets**

Basic financial assets, which include rent arrears and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through income and expenditure are measured at fair value.

Investments are comprised of equity loans made with purchasers of the Association's property and are treated as concessionary loans and are measured at the amount due from the borrower, no interest is charged and security is provided by a charge over the property purchased.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in income and expenditure, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in income and expenditure.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Association after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Association after deducting all of its liabilities.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Association's obligations are discharged, cancelled, or they expire.

#### 1.9 Taxation

The Association has charitable status with HM Revenue and Customs and no charge to Corporation Tax arises on these results. Deferred tax is therefore also not applicable.

The Association is registered for VAT. The Association makes some charges for services which are subject to VAT and therefore these are shown exclusive of VAT. All other income and expenditure is not subject to VAT and is therefore shown inclusive of VAT.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.12 Government grants

Social housing or other government grants are received to finance social housing properties. These grants are recognised at the fair value of the asset received or receivable. Where the assets are accounted for using the cost model then the government grant is accounted for using the accruals model. The difference between the fair value of the asset and the consideration is recognised as a liability and amortised over the useful economic life of the asset. This amortisation is recognised within turnover.

Under certain circumstances, primarily following the sale of a property, the grant is repayable or recyclable but this is often restricted to the net proceeds of sale. Where government grants are required to be recycled, a liability is included to recognise this obligation.

Government grants received as a contribution to revenue expenditure are recognised in the statement of comprehensive income on a systematic basis over the period in which the landlord recognises the related costs for which the grant is intended to compensate. The related expenditure is included under administrative expenses. Grants are recognised in the same period as the related expenditure provided the conditions for receipt have been satisfied and there is reasonable assurance that the grant will be received.

##### *Recycled Capital Grants Fund*

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Greater London Authority (GLA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Greater London Authority (GLA). It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Judgements and key sources of estimation uncertainty

In the application of the Association's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Estimated useful lives

The useful life of housing properties and their components has been estimated using the National Housing Federation matrix of property components as a basis.

#### 3 Social housing turnover and costs

	2022	2021
	£	£
Rents receivable excluding service charges	3,730,295	3,559,965
Service charges receivable	200,723	204,684
Other sundry income	541,157	390,412
Amortisation of capital grants	996,384	999,850
	<u>5,468,559</u>	<u>5,154,911</u>
Social housing activity expenditure	(5,512,527)	(5,303,346)
Surplus on disposal of housing accommodation	805,714	290,065
	<u>761,746</u>	<u>141,630</u>
Operating surplus/(deficit) from social housing activities	<u>351,159</u>	<u>(312,186)</u>
Net surplus/(deficit) from social housing activities	<u>(145,551)</u>	<u>(186,832)</u>
Void losses	<u>(145,551)</u>	<u>(186,832)</u>

#### 4 Exceptional item

	2022	2021
	£	£
<b>Expenditure</b>		
Surplus on disposal of housing accommodation	(805,714)	(290,065)

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 5 Accommodation owned and in management

	Number of units at 31 March 2022	Number of units at 31 March 2021
<b>Completed units:</b>		
Assured tenancies	289	290
Intermediate homes	125	121
Temporary accommodation (in borough)	31	33
Temporary accommodation (out of borough)	29	30
Shared ownership	9	9
Private tenancies	1	3
Regeneration	20	-
	<u>504</u>	<u>486</u>

### 6 Operating surplus

	2022 £	2021 £
Operating surplus for the year is stated after charging/(crediting):		
Remuneration, exclusive of VAT, payable to the external Auditors:		
Auditing of the accounts	12,307	14,167
Accountancy services	1,986	2,442
Depreciation of owned tangible fixed assets	2,410,494	2,388,241
Deficit on disposal of fixed asset components	(534,883)	(40,883)
	<u></u>	<u></u>

### 7 Employees

The average monthly number of persons (including Directors) employed by the Association during the year was:

	2022 Number	2021 Number
Directors	1	1
Administration	4	4
	<u>5</u>	<u>5</u>
Average full time equivalent, excluding non-executive Directors (based on a 35 hour week)	<u>4</u>	<u>4</u>

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 7 Employees (Continued)

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	233,958	230,821
Social security costs	26,085	26,674
Pension costs	3,419	3,280
	<u>263,462</u>	<u>260,775</u>

There are no employees who received more than £60,000 as their employee package with the association, other than key management personnel, see note 8.

### 8 Board and key management remuneration

	2022	2021
	£	£
Remuneration for qualifying services	74,909	74,909
Company pension contributions to defined contribution schemes	1,321	1,313
	<u>76,230</u>	<u>76,222</u>

None of the non-executive Board members received remuneration during the year (2021 - £nil).

The Chief Executive, who is the highest paid director, received £74,909 (2021 - £74,909) remuneration (excluding pension contributions). The Chief Executive received pension contributions from the Association of £1,321 (2021 - £1,313) under the normal terms of their employee pension scheme.

For the purposes of the above disclosures, "Director" also includes the Chief Executive and any other person who is a member of the executive management team, or its equivalent, of the association.

### 9 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	-	7,080
	<u>-</u>	<u>7,080</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through income and expenditure	-	7,080
	<u>-</u>	<u>7,080</u>



# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 10 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	410,587	460,896

The Association does not capitalise borrowing costs on developments in progress, instead it is recognised in the income and expenditure account in the year incurred. At an average cost of borrowing of 5.08% (2021 - 5.08%) potential capitalised interest is estimated at £188,255 (2021 £nil).

### 11 Taxation

The Association has charitable status with HM Revenue & Customs and on the basis of these financial statements no provision has been made for corporation tax.

### 12 Tangible fixed assets

#### Housing properties

	Housing properties for letting	Housing properties under construction	Shared ownership properties	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	130,337,672	9,068,446	1,424,273	140,830,391
Additions: completed properties acquired	1,300,133	-	-	1,300,133
Additions: works to existing properties	446,913	-	18,812	465,725
Additions: other	-	3,817,663	-	3,817,663
Disposals: property sold	(1,235,556)	-	-	(1,235,556)
Disposals: replacement of components	(347,395)	-	-	(347,395)
At 31 March 2022	130,501,767	12,886,109	1,443,085	144,830,961
<b>Depreciation and impairment</b>				
At 1 April 2021	16,962,341	-	97,746	17,060,087
Depreciation charged in the year	2,392,463	-	18,031	2,410,494
Eliminated in respect of disposals	(240,482)	-	-	(240,482)
Eliminated in respect of component disposals	(76,564)	-	-	(76,564)
At 31 March 2022	19,037,758	-	115,777	19,153,535
<b>Carrying amount</b>				
At 31 March 2022	111,464,009	12,886,109	1,327,308	125,677,426
At 31 March 2021	113,375,331	9,068,446	1,326,527	123,770,304

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 12 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	2022	2021
	£	£
Freehold	5,352,635	5,453,307
Long leasehold	120,324,791	118,316,997
	<u>125,677,426</u>	<u>123,770,304</u>

### 13 Stocks

	2022	2021
	£	£
Property purchased for regeneration	10,505,970	8,598,556
	<u>10,505,970</u>	<u>8,598,556</u>

### 14 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Social housing rent arrears	112,827	88,151
Rental income due from parent undertaking	513,631	191,393
Other debtors	61,143	224,509
	<u>687,601</u>	<u>504,053</u>

### 15 Current asset investments

	2022	2021
	£	£
Loans	85,500	145,500
	<u>85,500</u>	<u>145,500</u>

The above loans are concessionary loans at 0% interest, repayable on the eventual sale of the property, over which a charge is held.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Loans and overdrafts	18	954,235	939,094
Trade creditors		635,918	547,729
Rents paid in advance		164,795	174,007
Amount due to parent undertaking		11,325,154	8,194,471
Other taxation and social security		21,140	32,596
Government grants	19	996,384	999,850
Other creditors		178,265	132,949
Unallocated grants		3,336,441	3,336,441
		<u>17,612,332</u>	<u>14,357,137</u>

#### 17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Loans and overdrafts	18	6,328,559	7,282,794
Government grants	19	99,063,706	100,039,954
Recycled capital grants fund		8,336,687	8,304,687
		<u>113,728,952</u>	<u>115,627,435</u>

#### Recycled capital grants fund

	2022 £	2021 £
At 1 April 2021	8,304,687	8,172,687
Inputs to be recycled	32,000	132,000
	<u>8,336,687</u>	<u>8,304,687</u>
At 31 March 2022	<u>8,336,687</u>	<u>8,304,687</u>

#### 18 Loans and overdrafts

	2022 £	2021 £
Housing loans from parent undertaking	7,282,794	8,221,888
	<u>7,282,794</u>	<u>8,221,888</u>
Payable within one year	954,235	939,094
Payable after one year	6,328,559	7,282,794
	<u>7,282,794</u>	<u>8,221,888</u>

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 18 Loans and overdrafts

(Continued)

The above loans are from WCC and are secured on the association's housing properties.

The 25 year loan of £4m has interest charged at 4.2% loan, the loan was drawn down per property acquisition was between 2009/10 to 2010/11.

A 10 year loan of £6m, with an interest charge of 5.67%, has been drawn down in 2014/15. The 1st principal loan repayment date was 2019/20.

#### 19 Government grants

	2022	2021
	£	£
Deferred income is included in the financial statements as follows:		
Current liabilities	996,384	999,850
Non-current liabilities	99,063,706	100,039,954
	<u>100,060,090</u>	<u>101,039,804</u>
<b>Social housing government grants</b>		
At 1 April 2021	108,780,317	107,696,317
Receivable in the year	42,000	1,216,000
Transferred from recycled capital grants fund	641,093	-
Transfer to recycled capital grants fund on sale or property	(673,093)	(132,000)
Returned to funder	(70,000)	-
	<u>108,720,317</u>	<u>108,780,317</u>
At 31 March 2022	<u>108,720,317</u>	<u>108,780,317</u>
<b>Amortisation</b>		
At 1 April 2021	7,740,513	6,751,390
Amortised during the year	996,384	999,850
Adjustment on sale or disposal	(76,670)	(10,727)
	<u>8,660,227</u>	<u>7,740,513</u>
At 31 March 2022	<u>8,660,227</u>	<u>7,740,513</u>
<b>Carrying amount</b>		
At 31 March 2022	<u>100,060,090</u>	<u>101,039,804</u>

Deferred income is comprised of social housing government grants which are amortised over the useful economic of the assets which they finance. Included above are amounts which fall due to be amortised after five years totalling £95,078,170 (2021: £96,040,554).

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 20 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	3,419	3,280
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 21 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	3	3	3	3
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

These shares do not carry any right to a dividend, cannot be redeemed and do not give any provision for a distribution on a winding up. All members are entitled to vote at General Meetings.

#### 22 Capital commitments

The Association has aggregate capital commitments at the year-end of £2,295k which relates to contracts for developments that were in progress at the year end. These costs will be funded through a combination of the Associations existing funds as well as further grant funding.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

23 Cash generated from operations	2022	2021
	£	£
Surplus/(deficit) for the year	394,597	(312,186)
<b>Adjustments for:</b>		
Finance costs	410,587	460,896
Investment income	-	(7,080)
Gain on disposal of tangible fixed assets	(534,883)	(40,883)
Depreciation and impairment of tangible fixed assets	2,410,494	2,388,241
<b>Movements in working capital:</b>		
(Increase) in stocks	(1,907,414)	(8,598,556)
(Increase) in debtors	(183,548)	(423,367)
Increase in creditors	3,197,837	7,330,488
(Decrease) in deferred income	(1,021,714)	(1,121,123)
<b>Cash generated from/(absorbed by) operations</b>	<u>2,765,956</u>	<u>(323,570)</u>

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

---

### 24 Related party transactions

Westminster City Council (WCC) is the ultimate parent of Westminster Community Homes (WCH) and currently the only lender to WCH. WCC also provides grants from its AHF and holds nominations rights to the properties. Details of the loans are disclosed in note 18. WCC prepares consolidated group accounts.

WCC provides the following services to WCH: Major works, revenue repairs, finance, property management service and service charge payments to WCC for its freehold interest in most of WCH properties. WCH also pays Council tax to WCC where applicable.

WCH fully owns the subsidiary of WCH Developments Ltd (WCHD). The subsidiary is currently dormant and once WCHD commences trading the inter-company movements will be recorded in the statutory accounts.

The intercompany transactions between WCH and WCC are set out in the table below:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Payables</b>		
WCC - revenue transactions	6,680	1,803
WCC - capital transactions	10,444	925
<b>Receivables</b>		
WCC - revenue transactions	6,648	1,088
WCC - capital transactions	10,444	-

The Association sold 4 properties, with an original cost of £1.88m, to WCC for £2.54m.

# WESTMINSTER COMMUNITY HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2022*

---

**25 Analysis of changes in net debt**

	<b>1 April 2021</b>	<b>Cash flows</b>	<b>31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	6,987,221	(2,186,775)	4,800,446
Borrowings excluding overdrafts	(8,221,888)	939,094	(7,282,794)
	<u>(1,234,667)</u>	<u>(1,247,681)</u>	<u>(2,482,348)</u>
	<u><u>(1,234,667)</u></u>	<u><u>(1,247,681)</u></u>	<u><u>(2,482,348)</u></u>



You can verify that this is a genuine Portal document by uploading it to the following secure web page:

**<http://jonesavens.accountantspace.co.uk/messages/VerifyDocument>**