

COMMONWEAL HOUSING LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2006

Commonweal Housing Limited

REPORT AND FINANCIAL STATEMENTS For the year ended 31 December 2006

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Commonweal Housing Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2006

LEGAL AND ADMINISTRATIVE DETAILS

Commonweal Housing Limited is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The directors of the charity are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Board of Trustees.

Company registration number:	5319765	
Charity registration number:	1113331	
Principal address:	Grove End Gardens 33 Grove End Road London NW8 9LN	
Registered office:	Grove End Gardens 33 Grove End Road London NW8 9LN	
Directors and Trustees:	Fiona Mactaggart MP (Chair) Sir John Mactaggart Bt. Gary Medazoumian FCA Mrs Jane Slowey	
Secretary:	Gary Medazoumian FCA	
Bankers:	Barclays Bank plc 7 th Floor, 180 Oxford Street London BX3 2BB	
Solicitors:	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH	Kidd Rapinet 14 & 15 Craven Street London WC2N 5AD
Auditors:	H.W. Fisher & Company Acre House 11/15 William Road London NW1 3ER	

Commonweal Housing Limited

REPORT OF THE TRUSTEES

The Trustees, who are directors of the Charity for the purposes of the Companies Act 1985, present their report together with the audited financial statements for the year ended 31 December 2006. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' issued in March 2005 in preparing the Annual Report and Financial Statements of the Charity.

The legal and administrative information set out on page 2 forms part of this report.

Structure, governance and management

The Charity is a charitable company limited by guarantee incorporated on 22 December 2004 and registered as a charity on 20 March 2006. It is governed by its Memorandum and Articles of Association which were last amended on 10 February 2006.

The directors of the Charity are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Board of Trustees. The Board of Trustees is the administrative and governing body and meets five times a year, ensuring and monitoring that the Charity is performing well, is solvent, and complies with all its obligations. The Board of Trustees currently consists of four Trustees and the quorum is two Trustees.

The present members of the Board of Trustees is set out on page 2. On 7 November 2006, Messrs George Gillon and Robert Nadler resigned as Trustees. On that date, Fiona Mactaggart MP was appointed as Trustee and took the Chair from Sir John Mactaggart, Bt. on 4 December 2006. Since the end of the year, Mrs Jane Slowey has been appointed as Trustee on 29 January 2007.

The Trustees are appointed by the Board and all Trustees and have signed a declaration about their eligibility for the post of Trustee.

The Memorandum and Articles of Association provide for one third of the Trustees to retire at each Annual General Meeting. At its next Annual General Meeting, the Board of Trustees will recommend that, in view of the length of service of the current board, this provision will not operate.

A Trustee's term of office may be ended by resignation or by retirement by rotation, or by removal, if necessary, by the Board in accordance with the Memorandum and Articles of Association.

Risk management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to those risks.

Objectives and activities

The Charity's objects are to relieve specialist housing needs in London and the advancement of education and training in particular (but without limitation) in relation to housing need. In performing all of its activities, the Charity continues to deliver services for the public benefit.

The Charity's principal activities continue to include:

1. The provision of homes for innovative prototype schemes designed to improve the characteristics of housing supply;
2. Undertaking research that enables the specialist housing needs of people to be better understood and thus solved more effectively.

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Achievements and performance

The operational objectives of the Charity are achieved through the implementation of five strategic targets detailed in its Strategic Business Plan, the progress of which is monitored by the Board of Trustees at each meeting. A review of the business plan is carried out annually.

Evidence of the Charity's success is established through neutral third party experts, and the degree of success is such that other organisations want to replicate the Charity's prototypes.

The Charity achieved its objectives in the past year through the delivery of the following range of services:

➤ *RESET Project (Resettlement, Education, Support, Employment and Training)*

The Charity participated as a development partner in RESET, a two-year project with major operational funding provided through the European Social Fund under the Equal Community Initiative Programme. RESET is a project that explores ideas for reducing the very high recidivism amongst young offenders on their release from Young Offenders' Institutions using a series of interventions to improve mental health, physical health, educational attainment, social skills and other competencies, all tailor-made to the individual needs of the young person in order to facilitate them becoming more productive members of society. Commonweal provided 5-one bedroom flats in London where young offenders could spend approximately six months undergoing a programme of training and rehabilitation so that the effect of providing a secure home on release from a young offenders' institution could be compared against another sample of young offenders who do not have the same security of tenure. The objective of this is to test the well-used hypothesis that the prevention of homelessness can significantly reduce the rate of re-offending amongst the group of people and accelerate their productive integration into society. Given the small sample size, it will take time to conclusively test the hypothesis but, despite the volatile behavioural characteristics of this group of young people, encouraging indications are already emerging resulting in Commonweal being mindful to continue the project after the expiry of the EU funding.

➤ *Research Projects*

The Charity undertook two comprehensive research projects into various aspects of improving the choice of housing available to Key Workers and their experience whilst searching for and occupying new homes. Both projects were undertaken by means of qualitative research using focus groups on specially profiled and recruited participants.

The first project was a scoping project to obtain an overview of the challenges faced by Key Workers in becoming aware of the availability of such housing and the opportunities and processes for acquiring housing. The research revealed considerable shortfalls in the delivery and particularly identified needs for the improvement in the tailor making of services to fit into the lifestyle of Key Workers as well as the needs in some particular work environments to improve the communication of house buying opportunities for Key Workers. The Report has been circulated to Registered Social Landlords and employers so that they can consider the findings.

The second research project used a similar procedure on the same profile of people as the first project but specifically focused on how one developer intending to serve the intermediate housing market should tailor-make its marketing channels, personal finance services and product and communication strategy. The research revealed a number of critical fundamentals that would have been overlooked had it not been for the research and is resulting in a product being developed that is more refined for the needs of Key Workers. Being targeted for a particular delivery process the findings of this research were not widely distributed but are being used by the developer in

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pleading its case to planners and other statutory bodies so that it can acquire land and the resultant permissions at a cost profile that will enable low-cost houses to be made available to Key Workers.

➤ *Re-Unite Project*

As part of its policy of evaluating a wide-range of human need for housing in 2006, in partnership with the charity Housing for Women, Commonweal has been exploring the need for providing homes for women on their release from prison in order that those women may be reunited with their children that have been in custody or other care whilst their mothers have been in prison. A prototype role model scheme to serve such people is now at an advanced stage of development and it is hoped that that in the coming year it may be possible to launch this project operationally.

➤ *Other achievements*

Commonweal focuses on projects that in the long term will change public policy to improve the plight of people in housing need in London. To this end, it employs a rigorous due diligence policy to ensure that each project conforms with its Mission, the 12-Criteria for projects, Strategic Targets and the ability of projects to act as role model prototypes. Consequently, Commonweal needs to evaluate a wide-range of concepts in order to achieve any single viable project. In the past year, Commonweal has evaluated projects where housing could help the rehabilitation of people on their release from mental health institutions, improving the specification and delivery of houses for people with physical disabilities, providing refuges that enable sex workers to have the choice to escape from that occupation, refuges for people in abusive relationships or forced marriages.

As a result of these evaluations, Commonweal has concluded, with the right operating partners and funding, such projects could be a valuable benefit to people in need. Consequently, Commonweal will continue to look for suitable partners and operational funding that can provide homes with its capital budgets.

Financial review

The Board of Trustees is pleased with the overall performance of the Charity in the year. The board would like to acknowledge the generous financial support of Grove End Housing Association in donating the sum of £230,000 to the Charity (2005: £nil). The remaining income of the Charity has arisen from rental income from the properties that are let to young offenders in the RESET project.

The surplus of income over expenditure for the year was £16,308 (2005: £nil). This represents the Charity's total unrestricted funds at the year end, which in the opinion of the Board of Trustees is sufficient for the Charity to meet its existing commitments in the short to medium term.

Plans for the future

The Board of Trustees believes that the Charity has the financial strength and support of Grove End Housing Association to pursue its mission and objectives as set out in its business plan and will measure its success in achieving its aims through neutral third party experts.

The following are seen as key objectives for the coming year:

- Extend the support given to the accommodation strand of the RESET project;
- Launch the Re-Unite project operationally;

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- Provide financial support for a year-long research project that aims to identify the characteristics of disabled people's needs for housing in London;
- Develop a strategy to raise the profile of the Charity and enhance its position in the marketplace;
- Improve financial viability by developing a fund-raising strategy.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Status

The company is a registered charity (number 1113331).
The company is limited by guarantee (number 5319765).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that H. W. Fisher & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

ON BEHALF OF THE BOARD OF TRUSTEES



FIONA MACTAGGART MP
Chair

25 June 2007

