

Charity No. 1113331
Company No. 5319765

COMMONWEAL HOUSING LIMITED

(a company limited by guarantee)

AUDITED REPORT AND FINANCIAL
STATEMENTS

For the year ended 31 December 2023

Commonweal Housing Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2023

CONTENTS	PAGE
Legal and administrative details	3
Report of the Trustees	4
Independent auditors' report	11
Statement of financial activities	14
Balance Sheet	15
Cash Flow Statement	16
Accounting Policies	17
Notes of the financial statements	19

LEGAL AND ADMINISTRATIVE DETAILS

Company registration number:	5319765
Charity registration number:	1113331
Principal address:	Unit 521, SPACES 35 New Broad Street London EC2M 1NH
Registered office:	2 Babmaes Street London SW1Y 6HD
Patrons:	Sir John Mactaggart Bt The Rt.Hon. Baroness Jean Corston The Rt. Hon.Fiona Mactaggart
Directors and Trustees:	Jack Mactaggart (Chair) Gary Medazoumian FCA The Rt. Hon.Fiona Mactaggart (resigned 13.9.23) Prof. Jonathan Portes Russ Edwards Amarjit Bains Sheldon Shillingford Dr Elanor Warwick Aphra Mactaggart Gerald Kelly (appointed 13.3.24)
Secretary:	Gary Medazoumian FCA
Strategic Leadership Team: CEO Deputy CEO	Ashley Horsey Amy Doyle
Bankers:	Barclays Bank plc 7 th Floor, 180 Oxford Street London BX3 2BB
Solicitors	BDB Pitmans LLP One Bartholomew Close, London EC1A 7BL
Auditors:	Price Bailey LLP 24 Old Bond Street London W1S 4AP

COMMONWEAL HOUSING LTD - REPORT OF THE TRUSTEES

For the year ended 31 December 2023

INTRODUCTION

The Trustees, who act as directors for the purposes of the company law, present their report and financial statements for the year ended 31 December 2023.

Commonweal Housing is an independent action learning charity, working to investigate, pilot and champion housing-based solutions to social injustice. We provide experts and partner organisations with the opportunity to trial and test new approaches designed to enhance housing equality and justice.

We support project partners by providing bespoke housing and financing, enabling them to test pilot models and services. In addition, Commonweal uses more of its charitable resources to fund early-stage research and feasibility studies for emerging areas of injustice or potential solutions, as well as commissioning independent evaluation to capture the learning from pilot projects. We then work to share the learning widely to influence future policy, practice, and delivery.

Commonweal has developed and continues to deliver an innovative model of social investment leveraging the capacity and funding available to the charity through funds secured from a growing range of impact investors.

We aim to achieve impact from the lessons learnt from the work we support. Commonweal will work with project partners, national bodies, academics, campaigners, journalists, central and local government directly and in partnership to do this.

Whilst 2023 was mainly a settled period in terms of the staff team and the Board as a whole, it did mark the stepping down from the Board of Trustee of Fiona Mactaggart our Chair for over ten years and a Trustee for seventeen. Fiona's impact on the charity cannot be understated her drive and passion for social justice was at the heart of many of the projects pursued by Commonweal. Her extensive network of contacts was vital in the early days with a very small staff team in helping our activities gain traction. We are delighted not to be losing Fiona completely as she has agreed to take on the role of Honorary Patron alongside her friend and former colleague Baroness Jean Corston and of course her brother, Commonweal's founder, Sir John Mactaggart. The Board wanted to put on record their great thanks to Fiona for all she has done for Commonweal to date and look forward to seeing her again especially as she has agreed to continue hosting our annual student research presentations form the awardees of the Jane Slowey Memorial Bursary itself named after a much missed friend and Commonweal trustee who passed away in 2017.

Whilst a fully independent charity, the links to the philanthropic legacy and works of the Mactaggart family are a proud part of Commonweal's lineage and we are delighted that Aphra Mactaggart from the next generation of the family agreed to join the Board in 2023.

Towards the end of 2023, the Board undertook a round of external recruitment to further strengthen the Board and we are delighted that Gerald Kelly a housing and development specialist lawyer and Partner at Macfarlanes LLP. Gerald was formally appointed as a Trustee of the charity and Director of the company in March 2024.

Throughout 2023 the consequences and effects of the terrible invasion of Ukraine by Russia continued. The Commonweal Board approved a further cash donation to Depaul International the sister charity of one of our existing project partners (Depaul UK) to support their efforts in Ukraine and to those displaced by the conflict to the UK and elsewhere across Europe.

The Board of Commonweal recognise again the ongoing support and increased backing from the Directors of Grove End Housing, a not-for-profit property company, our principal benefactor. We appreciate the trust and faith they continue to put in Commonweal.

January 2023 was the starting point for our latest new three-year strategy to December 2025 aimed at continuing our journey towards our ambition that by 2025 Commonweal will be widely viewed as: **“a ‘go to’ organisation for innovative and deliverable housing-based solutions to social injustice – at the forefront of imaginative thinking”**

The Board are seeking to continue our aims to go deeper in to a smaller range of social policy and injustice areas; raising our own knowledge and enabling the charity increasingly to become an informed commentator, influential partner and beneficial voice.

COMMONWEAL HOUSING LTD - REPORT OF THE TRUSTEES

For the year ended 31 December 2023

The Board has set the following priority social justice themes to guide our work in the coming years:

- **Criminal justice system** – focussed on specific groups such as: youth justice, over-representation of BAME individuals, mental health issues
- **Young adults, youth homelessness and those facing difficult transitions to adulthood**
- **Migration, Asylum and Trafficking** – incorporating areas of work around asylum, migration, modern-day slavery as well as human trafficking

Commonweal is engaging with sector leading organisations to help scope the current landscapes across each of these areas helping to identify those issues where the Commonweal approach to action learning and new housing solutions to social injustice might have the most significant impact. The Board are excited to see how this new strategy develops over the coming years.

Commonweal will continue to use its voice, its resources, partnerships, and its energy to highlight the importance to people's lives of safe, stable, secure, and accessible housing.

Commonweal is a social injustice housing-based action learning charity

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a charitable company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association (as amended). These provide for one third of the Trustees to retire at each Annual General Meeting. The minimum number as set out in the Memorandum and Articles of Association is three and the quorum is set at two Trustees.

For the duration of 2023 Commonweal has been Chaired by Jack Mactaggart, and we have returned to in person Board meetings to better facilitate discussion, engagement and build team relationships and dynamics amongst trustees and with the staff team.

The Board has set out a skills matrix identifying the core skills, knowledge and competencies felt to be necessary to provide suitable oversight, governance, and guidance to the charity. The Trustees self-assess against those skills; it was against this skills matrix that the Board recruited Aphra Mactaggart and latterly Gerald Kelly. Aphra brings age diversity to the Board as well as her experience working with many disadvantaged groups from her training as an NHS midwife in east London. Gerald as an experienced charity trustee helps to strengthen the Board's legal and wider housing and development sector expertise. The Charity has in place a program for the induction and training of new Trustees as well as ongoing training and conference opportunities for all Trustees.

The Board is the administrative and governing body and meets four times a year, ensuring and monitoring that the Charity is performing well, is solvent and complies with all its obligations. The Board has ensured that appropriate trustee indemnity insurance is in place.

In 2023, the Board considered again the findings of the 2020 formal Governance Review and progress made in delivering the action plan arising from that exercise. The charity undertakes an annual self-assessment against the Charity Governance Code. The Board intends to be commissioning an external governance review in 2025.

Organisational structure and decision-making

The Board is responsible for the policy and strategy of the Charity, ensuring the long-term sustainability of the organisation along with its financial and legal probity.

The Chief Executive, Ashley Horsey, is responsible for implementing policies and strategies approved by the Board and for progressing organisational objectives and leading operational delivery by the staff team.

The Board consider the strategic leadership team of the charity to consist of the Chief Executive and the Deputy Chief Executive, Amy Doyle, who under FRS102 constitute the key management along with the trustees.

The Board has established one committee the People & Governance Committee. The P&G Committee meets not less than three times per annum, once in the spring focussing primarily on HR and employment matters; once in the summer looking at governance issues and once in the autumn as part of the budget preparation cycle. This autumn meeting recommends any changes to pay remuneration for staff, including remunerated key management personnel, to the Board for their December budget-setting meeting for the forthcoming year.

COMMONWEAL HOUSING LTD - REPORT OF THE TRUSTEES

For the year ended 31 December 2023

OBJECTIVES AND ACTIVITIES

The Charity's core objects are the provision of housing for those who are in conditions of need and the advancement of education and training (but without limitation) in relation to housing need.

We deliver our objects via three core work streams plus a growing role as thought leaders, honest brokers, and a platform for discussion around housing and social injustice:

Property (acquisition) based medium to long term (5-10 year) action learning projects where the major investment by Commonweal is in the provision of the bespoke housing – using our existing capital or revenue funds as well as social investment funding. These cornerstone projects are aimed at thoroughly testing a new model or service with learning captured and widely shared to encourage or enable replication, policy or practice change by others. In 2023 we were delighted to complete the purchase of properties for our latest action learning project entitled You're Home delivered by new partners, The East Belfast Mission. This represented our first property venture in Northern Ireland. Last year, 2023, also saw the conclusion of our Move On Up project delivered by Quaker Social Action. The sale of the properties to redeem the social investment secured for this initiative back in 2017 commenced in 2023 and will conclude in 2024.

Short term initial feasibility studies undertaken by others using Commonweal's revenue funding. Such early-stage studies are designed to give prospective partners the capacity and resources to explore a new or emerging idea they have where they feel it *might* lead to a housing-based solution and therefore may become a formal Commonweal property-based pilot project. In 2023 we ran our latest *Call for New Ideas* funding programme inviting feasibility study proposals specifically focussing on the first of our new strategic themes, the criminal justice system. From a record number of applications our expert panel selected four studies to be supported by Commonweal. These feasibility studies are now underway with findings due back to Commonweal in 2024. Also, in 2024 we will be undertaking two further *Call for New Ideas* rounds one each on our other strategic themes; the aim is to maintain a strong pipeline of potential projects going forward as well as deepening our knowledge and experience across these themes.

Short term research – our recently launched new research funding programme, started in 2022, continued in 2023 across a broad range of policy and injustice areas. We continued our ongoing work with Spring Housing in Birmingham supporting a new study in to the effects and challenges of the exempt accommodation housing funding system. We also funded research by architects Morris & Co highlighting the need to improve standards of temporary accommodation for homeless families, an excellent report launched in the autumn and gathering interest from a number of councils. In 2023 we also commissioned further research in to the housing needs of Albanians and Romanians in west London by Stop The Traffick and organisation we first engaged with after the invasion of Ukraine by Russia in 2022. Finally, a major piece of work exploring the problems of move-on accommodation in the private rented sector. This significant and timely piece of work will be published later in 2024

Influencing policy and practice through effective dissemination and promotion of the findings from our own projects and studies but also offering a platform and promoting the thoughts and ideas of practitioners and experts in the fields of housing and social injustice.

In addition to these core work streams we will also consider further opportunities for small-scale direct social investment where this will help meet our charitable objectives. Commonweal currently has one direct social investment deal in place with Action Foundation a migrant and refugee support charity in Newcastle. Our 10-year investment term runs through to 2027.

Our strap line '**housing solutions to social injustice**' is backed by a core set of values:

- **Collaboration**
- **Learning**
- **Imagination and challenge**
- **Trust and integrity**

COMMONWEAL HOUSING LTD - REPORT OF THE TRUSTEES

For the year ended 31 December 2023

Commonweal Housing: Theory of Change

- Commonweal will focus on those activities, proposals, issues, groups and injustices that are at the margins, overlooked or ignored by many mainstream funders.
- Commonweal remains willing and able to use our independent, philanthropic charitable resources to support what are sometimes seen as difficult, unpopular or intractable issues – we are clear that if we are not willing and able to, then who will?
- We are fortunate in not being financially dependent upon public donations or public sector contracts. This gives us freedoms and opportunities.
- We are financially robust and able to be brave in the decisions we take, the issues we support and the projects we back.
- Success of the projects we support and the initiatives we enable to be tested, whilst welcomed, is not our primary aim or metric of success. Capturing the learning that has delivered that success or understanding and sharing the lessons learnt if things do not deliver as expected is our main priority – shaping and informing future activity tackling social injustice is our key objective.
- Commonweal Housing was established with the aim of providing the housing to enable front line delivery organisations to develop and pilot new housing solutions to social injustice; capturing the learning from those pilot projects and sharing it widely to help others learn from both the successes and the failures to shape future service delivery and policy development.
- We will enable the provision of this housing in a range of ways including direct purchase, leasing and revenue support to partners or other investors.
- To support new housing projects, we also fund early stage feasibility studies and project related research to give new ideas the best chance of succeeding as pilot projects. We also fund wider research to increase our own knowledge base and crucially independent evaluation of pilot projects; capturing the learning which we then share widely to shape future activity.
- In sharing the learning from projects, we will also build and share networks of interest; encouraging relationships and communications between those we are engaged with where they may help each other.
- To encourage, support and enable project partners to use their own expert voice to share learning, promote findings and campaign for change – Commonweal will aid and bring our expertise as required or as requested.
- We want, aim and expect to achieve impact from our charitable activity. We recognise that impact may take many forms from direct replication, to promotion of good practice, highlighting ongoing areas of injustice and lobbying for policy, operational or funding changes.
- Engaging evaluation of projects is fundamental to who Commonweal are; evaluating our own performance and input is a core part of that.
- At our heart we are a housing based social justice and action learning charity.

Social Investment:

Commonweal has been at the forefront of the innovative use of social investment funding for over 10 years now. With partners we have created an investment a model to support our action learning projects, developing a social investment structure that gives investors the opportunity and comfort to invest in new pilot and untested initiatives, ideas, projects, and in front-line organisations that would not normally pass muster with their investment committees on their own merits. We are grateful to those social investors that have trusted us with their money but have also given us their skills and expertise in providing strategic guidance to our action learning projects. We remain grateful to the Esmee Fairbairn Foundation, Trust for London, City Bridge Trust, Big Society Capital, Cheyne Capital, Quaker Social Action and The Monday Charitable Trust, GEHL and, for the first time in 2023, high net worth individuals for supporting us. We are delighted that in 2023 we were able to attract new indications of investment support our latest project, entitled Gateway: Base for Success. We are pleased that in addition to long-standing friends and investment partners, Esmee Fairbairn Foundation, Trust for London and City Bridge we have also been joined on this venture by the John Laing Charitable Trust for their first forays in to social investment. We aim to conclude this investment deal and commence delivery of the project in 2024.

Commonweal will continue to explore the use of further social investment deals to deliver new capital property acquisition projects as well as proactively reviewing our current property portfolio to identify what capital can be released for reinvestment in new projects.

COMMONWEAL HOUSING LTD - REPORT OF THE TRUSTEES

For the year ended 31 December 2023

The key activities and projects for the year along with details and copies of any reports supported by Commonweal can be found on our website: www.commonwealhousing.org.uk

FINANCIAL REVIEW

We are very fortunate to have a long- standing partner and principal benefactor, Grove End Housing Limited, who continue to provide our core revenue funding. In addition, Commonweal receives rental income on its residential property portfolio which aligns with the increase in Local Housing Rates.

In 2023 GEHL revenue funding accounted for 56% of income excluding a gain on disposal of tangible fixed assets (2022 63%); and rental income 35% (2022 36%).

The Trustees consider the results of increased income from our residential property portfolio and the continued support from Grove End Housing and the overall reduced expenditure disclosed on the following pages to be satisfactory.

Public benefit statement

The Board confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Further information regarding the Charity's activities, public benefit and impact are presented in its Annual Impact Review, which is available on its website. <http://www.commonwealhousing.org.uk/>.

Risk management and principal risks and uncertainties

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure and consequences of key risks. The Trustees consider and review the core strategic and operational risks facing the charity regularly throughout the year including the controls and mitigations in place to address or ameliorate these risks and note any new information from the Executive.

The Board, many of whom are relatively new to Commonweal over the last 3 years or so have taken time to consider what they perceive as the core corporate risks that if they were to materialize would mean Commonweal would potentially imperil the future of the charity and / or would indicate our not delivering our charitable aims and objectives. The 6 key risk areas are set out below:

	Core Strategic RiskAreas	Key Mitigations & Controls
A	<u>Financial Security:</u> Recognising the limited source of income received (GEHL grant and rental income) and considering ongoing certainty and exploring potential for further income diversification	Ongoing and positive engagement with GEHL by CEO and Chair. GEHL's change in their own rules over recent years gives CWH further comfort on funding.
B	<u>Business Continuity:</u> Primarily focused on small staff team.	Office and technological processes and backups in place if ever needed. Coverage across the current staff team for short-term covering of any vacancies or staff unavailability including Deputy CEO Role and key personnel insurance cover in place.
C	<u>Board Experience:</u> Recognition that the Board has changed over recent years and to consider against current skills mix needed.	New appointments made against current Board Skills Matrix. Intention to review this in 2024 to ensure it contains the correct mix of skills and experience needed. Induction for new Trustees and ongoing training and development opportunities available.

COMMONWEAL HOUSING LTD - REPORT OF THE TRUSTEES
For the year ended 31 December 2023

D	<u>Reputation:</u> Seen as key for attracting new social investment, new project proposals and for impact of messaging and communications of lessons learnt from projects, research and evaluations.	Regular engagement with project, investment and research partners to ensure Commonweal delivering against expectations. High quality and regular comms outputs.
E	<u>Compliance:</u> Identified by the Board as a 'usual' business risk to be overseen by the governing body (the Board)	Regular Board updates, annual audit, self-assessments
F	<u>Delivering Housing Projects:</u> Reaffirmed by the Board as the key purpose of the charity, therefore failure to develop and deliver new projects would be failure to deliver our charitable objectives	Project Team overseen by the Deputy CEO continues to ensure close engagement with project partners. Additional staffing capacity in 2022 More proactive property inspection and oversight regime being reinstated by Consultant Surveyor and other Commonweal staff.

Reserves Policy

It is the policy of the Charity to maintain a proportion of its reserves in a readily realisable form to ensure that its core activity could continue during a period of unforeseen difficulty. The Trustees consider readily realisable reserves to be the amount of reserves that are easily converted into cash without the need to dispose any of its properties.

The Trustees assess the required level of reserves on an annual basis alongside its operating budget. This assessment considers the risks associated with each stream of income and expenditure varying from budget, its planned activity level, commitments to repay the loans secured on its properties and the need to keep sufficient bank balances to be able to manage the day-to-day fluctuations of receipts and payments

In December 2023 and again at a specific risk workshop in February 2024, the reserves policy was reviewed by the Trustees who felt an increased level of readily available cash reserves was appropriate. Therefore, based on its 2024 operating budget and cash flows, a readily available cash reserve figure of a minimum of £250k was agreed to be necessary. The actual cash reserves at the 31 December 2023 were £657,757.

Property Revaluation and Depreciation Policy

In 2021 the Trustees agreed all fixed assets of the same class, (i.e., properties) to be revalued using external professional valuations each year. 2023 is the third year where the new property revaluation policy applied in the accounts for all properties, The figures reflect these changes and the property market at present.

The Trustees also reviewed the policy on the treatment of depreciation on properties and agreed not to depreciate properties. Further details are stated on the Notes section of the accounts on Fixed Assets and Depreciation.

As at 31st December the Charity's total reserves stood at £10.15M (2022: £9.9M) as set out in detail in note 13. Of this total figure 94% (2022: 94%) is included in the Designated Property Fund, represented by the functional assets of the Charity, which can only be realised by disposing the Charity's freehold and long leasehold properties.

Commonweal Trustees regularly consider options available to it to utilise its general reserves to further the charity's aims and objective. This has in the past (and may do so again in the future where suitable schemes are identified) included undertaking direct mission related investment.

COMMONWEAL HOUSING LTD - REPORT OF THE TRUSTEES

For the year ended 31 December 2023

PLANS FOR FUTURE PERIODS

Key priority in 2024 is to commence the new Gateway: Base for Success project for which we have secured offers of close on £3M of social investment. The Board have also requested a review of our current property stock and consideration be given to what assets can be sold to fund new property acquisitions for further new projects

Trustees' Responsibilities for the Financial Statements

The trustees (who are also directors of Commonweal Housing Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ observe the methods and principles in the Charities SORP 2019 (FRS 102);
- ▶ state whether applicable UK Accounting Standards have been followed
- ▶ 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing the reappointment of Price Bailey LLP will be put to the next Annual General Meeting.

Small companies note

In preparing this report the Trustees, who are also the directors, have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

ON BEHALF OF THE BOARD OF TRUSTEES

Trustee

JAM

19 June 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMMONWEAL HOUSING LIMITED

Opinion

We have audited the financial statements of Commonwealth Housing Limited for the year-ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the cash flow statement, 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity 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 trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMMONWEAL HOUSING LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Report of the Trustees (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained during the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 gained an understanding of the legal and regulatory framework applicable to the Charitable Company and the sector in which it operates, and considered the risk of the Charitable Company not complying with the applicable laws and regulations including fraud in particular those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Company this included compliance with the Companies Act 2006, Charities Act 2011 and SORP 2019.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMMONWEAL HOUSING LIMITED

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and making enquiries of management and officers of the Charitable Company. We noted procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission and performed a review of legal fees during the period.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustment for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is the risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 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 charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Cooper-Davis FCCA ACA (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors

24 Old Bond Street
London
W1S 4AP

Date: 16 July 2024

Commonweal Housing Limited

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) For the year ended 31 December 2023

	Note	2023	2022
		£	£
Income from:			
Donation and legacies	2	600,000	550,000
Charitable activity - rental income		375,719	315,770
Other income		84,288	4,374
Investment income		5,325	2,076
(Loss) /Gain on disposal of fixed assets		(505)	4,536
Total		<u>1,064,827</u>	<u>876,756</u>
Expenditure on			
Charitable activities	3	<u>1,018,301</u>	<u>795,676</u>
Total		<u>1,018,301</u>	<u>795,676</u>
Net income before amortisation adjustments			
		46,526	81,080
Amortisation charges on loan notes	13	<u>(72,474)</u>	<u>(171,751)</u>
Net expenditure			
		(25,948)	(90,671)
Gain / (Loss) on revaluation of fixed assets	6	<u>253,000</u>	<u>(1,089,030)</u>
Net movement in funds		227,052	(1,179,701)
Funds brought forward		<u>9,928,526</u>	<u>11,239,408</u>
Funds carried forward		<u>10,155,578</u>	<u>9,928,526</u>

The notes numbered 1 to 15 form part of these financial statements.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All of the income and expenditure relates to continuing activities.

COMMONWEAL HOUSING LTD

Balance Sheet as at 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	6	12,540,188	12,295,814
Programme related investment	7	80,366	78,616
Other unlisted investment	8	1	1
		<u>12,620,555</u>	<u>12,374,431</u>
Current assets			
Debtors	9	53,579	91,830
Cash at bank and in hand		657,757	1,267,148
		<u>711,336</u>	<u>1,358,978</u>
Current Liabilities			
Creditors: amounts falling due within one year	10	(168,359)	(757,504)
Loan notes: amounts falling due within one year	12	<u>(1,391,012)</u>	<u>(1,926,263)</u>
Net current liabilities		<u>(848,035)</u>	<u>(1,324,789)</u>
Total assets less current liabilities		11,772,520	11,049,642
Creditors: amounts due more than one year			
Loan notes	12	(1,546,942)	(1,041,116)
Grants	11	<u>(70,000)</u>	<u>(80,000)</u>
Net assets		<u>10,155,578</u>	<u>9,928,526</u>
Income funds			
Unrestricted funds:	13		
- Designated Property Fund		9,602,234	9,328,435
- Programme related Investment		80,366	78,616
- General Fund		472,978	521,475
Total funds		<u>10,155,578</u>	<u>9,928,526</u>

The notes numbered 1 to 15 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The accounts were approved and authorised for by the Board of Trustees 19 June 2024 and signed on their behalf by

JAM

J MACTAGGART

J Mactaggart (Jul 9, 2024, 9:47am)

Director/Trustee & Chair of the Board of Trustees

Gary Medazoumian

G S MEDAZOUMIAN

G S Medazoumian (Jul 9, 2024, 2:53pm)

Director/Trustee

COMMONWEAL HOUSING LTD

Cash Flow Statement

For the year ended 31 December 2023

	2023	2022
	£	£
Net movement in funds	227,052	(1,179,701)
Deduct: investment income receivable	(5,325)	(2,076)
Add back/(Deduct): revaluation of fixed assets	(253,000)	1,089,030
Add back: Amortisation adjustment	72,474	171,751
Deduct: Interest paid	(106,525)	(111,804)
Deduct: gain on disposal of fixed assets	505	(4,536)
Add back: depreciation	2,409	1,742
Increase in debtors	38,251	(58,408)
Increase in creditors (excluding loans)	(589,145)	699,672
Decrease in grants	(20,000)	(10,000)
Net cash provided by operating activities	<u>(633,304)</u>	<u>595,670</u>
Cash flows from investing activities		
Investment income received	5,325	2,076
Proceeds from disposal of fixed assets	500,000	1,357,829
Add back: charges on property sale	8,252	5,017
Cash paid in respect of tangible fixed assets	(1,663)	(1,848)
	<u>511,914</u>	<u>1,363,074</u>
Cash flows from financing activities		
Loan notes repaid in the year	(488,001)	(1,313,519)
(Decrease) / increase in cash and cash equivalents in the year	(609,391)	645,225
Cash and cash equivalents at the start of the year	<u>1,267,148</u>	<u>621,923</u>
Cash and cash equivalents at the end of the year	<u><u>657,757</u></u>	<u><u>1,267,148</u></u>

Analysis of cash and cash equivalents and net debt

	01-Jan 2023	Cash flows	Amortisation and loan interest movements	31-Dec 2023
Cash	1,267,148	(609,391)	-	657,757
Loans notes	(2,967,379)	(4,624)	34,049	(2,937,954)
	<u>(1,700,231)</u>	<u>(614,015)</u>	<u>34,049</u>	<u>(2,280,197)</u>

COMMONWEAL HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS – ACCOUNTING POLICIES

For the year ended 31 December 2023

NOTE 1 – ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable law and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition, effective 1 January 2019) - (Charities SORP (FRS 102)), and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements are presented in sterling and figures are rounded to the nearest £.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

ENTITY STATUS

Commonweal Housing Limited is a private charitable company limited by guarantee and meet the definition of a public benefit entity as defined by FRS102. Further details of its company and charity registration are given on page 3.

GOING CONCERN

The Trustees have prepared cash flow forecasts for the period of at least 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds, through continued funding from its principal benefactor, Grove End Housing, to meet its liabilities as they fall due for that period. Accordingly, the financial statements are prepared on a going concern basis and the Trustees do not consider there to be any material uncertainty in connection with the charity's ability to continue to operate.

ESTIMATION UNCERTAINTY AND JUDGEMENTS

The directors consider the principal areas of estimation uncertainty and judgement to be the valuation of property and the valuation of the related loan notes for socially funded properties.

INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Properties transferred to the charity by way of gift are recognised at fair value at the date of transfer.

EXPENDITURE

All expenditure relates to charitable activities and includes direct costs, indirect support costs and governance costs. Governance costs, which are the statutory and organisational costs of operating the charity as a legal entity.

Grants payable in furtherance of the charity's objects are recognised as expenditure when payment is due to the partner organisation, in accordance with the terms of the funding agreement. Standard funding agreements are typically for a year's duration or less, but can span several years. The funding agreements contain conditions, the fulfilment of which is under the control of Commonweal. For funding agreements in place at the year-end that include payments to be made in future years, where conditions attached to their payment limit their recognition as current liability, these payments are disclosed in Note 12 to the financial statements as commitments.

COMMONWEAL HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS – ACCOUNTING POLICIES

For the year ended 31 December 2023

PENSION CONTRIBUTIONS

Contributions in respect of personal pension schemes are included in the statement of financial activities for the year in which they are payable to the scheme.

FIXED ASSETS AND DEPRECIATION

Assets with a useful economic life exceeding one year are initially recognised at costs where they are purchased or a fair value at the time of transfer in respect of assets where they are donated. The fair value of such assets is treated as a deemed cost.

All property assets are restated at their fair value at the balance sheet date three months after acquisition. The fair value is determined by the Trustees with reference to the average of two different comparative medium range desktop valuation data along with professional valuations of certain properties and having regard to any actual transactions. The policy of revaluing all properties has applied since 2021.

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

- | | |
|---|--|
| A) Freehold and long leasehold buildings | - No depreciation from 2021 |
| B) Socially funded freehold and leasehold buildings | - No depreciation from 2021 |
| C) Computer and other equipment | - 20% per annum on a straight-line basis |

Expenditure on refurbishment works and associated costs on making the charity's freehold and leasehold properties project ready for occupation is written-off as incurred. The trustees consider that it appropriate not to charge depreciation as the property is maintained in reasonable condition and valued annually.

PROGRAMME RELATED INVESTMENTS

Programme related investments are stated at transaction value less any provision for impairment required. In accordance with the Charities SORP they are not restated at fair value.

LOAN NOTES

Loan notes represent finance obtained from Social Investors. The Social Investors' return includes not only a market rate of interest but an additional final payment equal to an agreed percentage of the gain made on disposal of the related property. The loan notes are treated accounted for under section 12 of FRS102 and the final contractual return to the lender/investor is neither a fixed rate or amount, nor a variable rate linked to a single observable interest rate or index of general price inflation, though the annual payments on some loans are subject to a CPI uplift. The loan notes contain non-financial variables specific to a party to the contract such as the potential future value and condition of the property which may affect the final contractual return. In accordance with section 12 the Trustees have therefore used the amortised cost model to value the loan notes. This calculation considers the most recent expected cash-flows based on external valuations agreed payments to the lenders. The actual redemption values of the loan notes are likely to differ from the estimated cashflows recorded at the preceding balance sheet date and this will result in a further amortisation adjustment in the year of redemption.

FUNDS

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund. There were no such funds in either year.

Unrestricted funds are donations and other income received or generated and are expendable at the discretion of the Trustees in furtherance of the charity's objectives. Designated funds are unrestricted funds earmarked by the Trustees.

COMMONWEAL HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. DONATIONS AND LEGACIES

	2023 £	2022 £
Donations		
Grove End Housing	<u>600,000</u>	<u>550,000</u>

3. EXPENDITURE

	Staff costs £	Other costs £	2023 Total £
Charitable Activities - 2023			
Direct and support costs	434,323	649,884	1,084,207
Re-allocation loan note interest	-	(103,106)	(103,106)
Governance costs	-	37,200	37,200
	<u>434,323</u>	<u>583,978</u>	<u>1,018,301</u>
			2022
	Staff costs £	Other costs £	Total £
Charitable Activities - 2022			
Direct and support costs	359,747	532,725	892,472
Re-allocation loan note interest	-	(111,804)	(111,804)
Governance costs	-	15,008	15,008
	<u>359,747</u>	<u>435,929</u>	<u>795,676</u>

Direct and support costs represent the cost of provision of the core activities of the charity: delivering housing solutions and understanding housing needs including the associated support costs to deliver these activities. £649,884 (2022: £532,725) under other costs above relates to the charities main core activities as follows: -

	2023 £		2022 £	
Property related project costs	321,643	59%	210,313	50%
Feasibility Studies and Grants to partners	148,548	27%	20,000	5%
Learning and Sharing	6,508	1%	5,273	1%
Office related operational costs	70,079	13%	185,335	44%

Governance costs relate to the direct costs associated with the effective governance of the charity. These include audit fees and accountancy £33,954 (2022: 14,782), Company Secretarial £26 (2022: £26) and other governance costs of £3,220 (2022: £200).

Net income is after charging depreciation on the fixed assets of £2,409 (2022: £1,742).

COMMONWEAL HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	363,103	298,730
Pension contributions	36,491	31,869
Social security costs	34,729	29,148
	<u>434,323</u>	<u>359,747</u>

	2023	2022
	No.	No.
Particulars of employees:		
The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:		
Chief Executive	1	1
Project and Communications Staff	5	5
Finance and Administrative staff (FTE:1; 2022: 1)	2	1
	<u>8</u>	<u>7</u>

The average monthly head count of employees' number during the year is 8 (2022: 7).

One employee received remuneration (excluding employer pension contributions) in the range of £90,000-£100,000 during the year (2022: one in the range £90,000-£100,000). The Trustees consider that the Key Senior Management Personnel of the charity comprised the Chief Executive and the Deputy Chief Executive Officer whose total remuneration including all benefits was £192,985 (2022: £171,512).

5. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS

No Trustee or person with a family or business connection with a Trustee received remuneration in the year directly or indirectly, or had any expenses reimbursed (2022: nil).

COMMONWEAL HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. TANGIBLE FIXED ASSETS

	Land & Buildings	Computer & other equipment	Total
	£	£	£
Cost or Valuation			
At 1 January 2023	12,290,000	11,061	12,301,061
Additions	492,625	1,663	494,288
Disposals	(500,000)	(606)	(500,606)
Revaluation	253,000		253,000
At 31 December 2023	<u>12,535,625</u>	<u>12,118</u>	<u>12,547,743</u>
Depreciation			
At 1 January 2023	-	5,247	5,247
Charge for the year	-	2,409	2,409
Eliminated at Disposals	-	(101)	(101)
At 31 December 2023	<u>-</u>	<u>7,555</u>	<u>7,555</u>
Net book value			
At 31 December 2023	<u>12,535,625</u>	<u>4,562</u>	<u>12,540,188</u>
At 31 December 2022	<u>12,290,000</u>	<u>5,814</u>	<u>12,295,814</u>

The net book value includes £6,224,625 in respect of long leasehold properties (2022: £6,515,000).

7. PROGRAMME RELATED INVESTMENT

In 2018 Commonweal provided in pursuance of its charitable objects loan funding of £70,000 on a 10 year interest bearing arrangement to Action Foundation a registered charity based in Newcastle Upon Tyne with a 2.5% fixed interest on outstanding balances. The balance shown relates to the outstanding loan and accrued interest receivable. The loan is secured on property.

8. UNLISTED INVESTMENT

The unlisted investment of £1 represents the charity's interest in the share capital of its wholly- owned subsidiary undertaking, Re-Unite Limited. The subsidiary is registered in England and Wales and has not traded since it was incorporated on 28 October 2009.

9. DEBTORS AND PREPAYMENTS	2023	2022
	£	£
Prepayments and accrued income	53,579	91,830
	<u>53,579</u>	<u>91,830</u>

COMMONWEAL HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
	£	£
Other creditors	35,571	135,924
Social security costs	11,147	11,580
Accruals and deferred income	121,641	600,000
	<u>168,359</u>	<u>747,504</u>

£600K was received at the end of 2022 from GEHL for Income in 2023.

11. GRANT COMMITMENTS

The long-term creditor of £80,000 relates to a grant commitment of £100,000 to the University of Birmingham comprising 10 equal payments of £10,000 from October 2022. £20,000 is included in creditors falling due within one year.

12. LOAN NOTES

The table below illustrates the Loan notes values after amortisation adjustments: -

Project Name	Acquisitions date	Loan notes maturity date	Loan notes	Percentage interest for yield payments	Loan notes redeemed	Balance Left at 31.12.2023	Comments
PRAXIS – NRPF	2016	2022	£1,250,945	4.32%	£1,250,945	£-	Properties sold and investors paid back.
MOVE ON Up - QSA	2017	2023	£1,939,318	3.75%	£ -	1,391,013	Interest - CPI linked increase each year
DEPAUL - PL	2019	2026	£1,030,688	3.75%	£ -	1,054,316	Final payment will include 50% uplift to investors
EBM	2023	2029	£492,625	Nil	£ -	492,625	Final payment will include 100% uplift to investors

COMMONWEAL HOUSING LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

	2023 £	2022 £
Amortisation adjustments		
At the beginning of the year	2,967,379	4,220,951
Loan notes redeemed in the year	(488,001)	(1,313,519)
Loan notes issued in the year	492,627	-
Amortisation charge	72,474	171,751
Interest paid to investors	(106,525)	(111,804)
Loan notes at amortised value	<u>2,937,954</u>	<u>2,967,379</u>

Loan notes split with amortised adjustments and cumulative movements:

	2023 £	2022 £
Amount due within one year	1,391,012	1,926,263
Amount due after more than one year	1,546,942	1,041,116
Total	<u>2,937,954</u>	<u>2,967,379</u>

13. UNRESTRICTED FUNDS

	Balance at 01 January 2023 £	Income and gains £	Expenditure/ Losses £	Transfers between funds £	Balance at 31 December 2023 £
Designated Funds:					
Property Fund	9,328,435	346,273	(72,474)	-	9,602,234
Programme related Investment	78,616	1,750	-	-	80,366
General Fund	521,475	969,804	(1,018,301)	-	472,978
	<u>9,928,526</u>	<u>1,317,827</u>	<u>(1,090,775)</u>	-	<u>10,155,578</u>

The Property Fund represents the total amount value of tangible fixed assets less loan notes.

The Programme related investment is the money Commonweal advanced as a loan to Action Foundation a charity based in Newcastle Upon Tyne to pursue its charitable objects on a 10-year interest bearing arrangement. The loan is secured on a property (see note 7).

The General Fund represents undesignated monies retained to provide the working capital to enable the charity to carry out its activities as a provider of housing solutions to social injustice

COMMONWEAL HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

14. RELATED PARTIES

One of the Trustees of the charity Gary Medazoumian is a member of Grove End Housing Limited (GEHL), a Registered Society registered under the Co-operative and Community Benefit Societies Act 2014.

Due to the nature of the charity's operations, transactions have taken place with GEHL at arm's length on normal trading terms which, under Financial Reporting Standard Number 8, require disclosure in the charity's accounts.

The following related party transaction occurred between the charity and GEHL during the year:

- (a) GEHL donated the sum of £600,000 (2022: £550,000) to the charity to fund its charitable activities.
- (b) GEHL Loan in creditors to support You're Home project property purchases £100,000 – paid December 2022 & paid to solicitors January 2023

15. POST BALANCE SHEET EVENT

Following the year end, sale of some of the charity's non-social investment funded properties have been agreed in principle by the Board to release capital funds for the acquisition of properties for new action learning projects. An initial programme of six properties has been identified. Individual property sales will require specific Board approval. Properties will be sold as and when they are returned to Commonweal with vacant possession from the current interim temporary accommodation uses. These sales will take place as and when properties are returned over the coming 18-month period through 2024 and 2025. Commonweal will continually review its non-project property portfolio to ensure they are being utilised in a way that deliver impact and supports Commonweal's charitable aims and objectives. As at the date of signature one property has already been sold, 36 Erskine Crescent N17 – sold April 2024 price achieved £536K.

COMMONWEAL HOUSING LTD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

**The following pages do not form part of the statutory financial statements and are
for the information of the Trustees only.**

Commonweal Housing Limited

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023

(Supplementary pages for the information of the Trustees only)

INCOME	2023	2022
Voluntary income	£	£
GEHL - Gift Aid	600,000	550,000
Other income	89,108	10,986
	<u>689,108</u>	<u>560,986</u>
Rental income		
Amari & Rhea Projects	55,426	147,094
Peer Landlord Projects/TR and Depaul	71,215	69,634
Denham International	139,744	-
East Belfast Mission (EBM)	52,128	-
QSA Move on Up Project	16,677	52,032
Private rented sector/Dabora Conway	40,529	47,010
	<u>375,719</u>	<u>315,770</u>
Total income	<u><u>1,064,827</u></u>	<u><u>876,756</u></u>
EXPENDITURE		
Project Expenditure		
Property costs (Inc. refurbishment costs on handover)	154,253	77,734
Feasibility cost and grants to partners	142,248	73,144
Depreciation and Amortisation of leases	2,409	1,762
Evaluators	6,300	19,930
Legal and professional	12,388	29,062
	<u>317,598</u>	<u>201,632</u>
Chief Executive's Office		
CEO and staff salary	363,103	298,730
Pension contributions	36,491	31,869
Social security costs	34,729	29,148
Recruitment costs	-	42,842
Travel and conferences	3,481	6,775
Freelance/Retainer Fee	43,946	30,000
Serviced office accommodation (Inc. telecoms)	103,518	92,680
IT Support and maintenance	6,172	9,632
Repairs and Renewals	-	1,785
Printing, Postage and Stationery	2,166	1,602
Insurance	14,458	9,945
Subscriptions, magazines etc	10,931	3,020
Miscellaneous	713	290
	<u>619,708</u>	<u>558,318</u>

Commonweal Housing Limited

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2023

(Supplementary pages for the information of the Trustees only)

	2023	2022
	£	£
Support and Administration		
Consultancy and professional fees	33,285	5,958
Accounting and Payroll software	1,560	3,634
Web Design and consultancy (incl. Annual review & publicity material)	8,950	10,976
	<u>43,795</u>	<u>20,568</u>
Governance		
Audit fee	17,070	14,982
Other fees paid to auditors	16,884	-
Company secretarial	26	26
Trustee Liability Insurance	3,220	150
	<u>37,200</u>	<u>15,158</u>
Total expenditure	<u>1,018,301</u>	<u>795,676</u>
Net Income	<u>46,526</u>	<u>81,080</u>