



## **Mutual Societies Annual Return Form (AR30)**

For societies registered under the Co-operative and Community Benefit Societies Act 2014

### **Society name:**

Green Pastures CBS Ltd.

### **Important information you should read before completing this form**

You must use this form if you are a:

- registered society (previously referred to as an 'industrial and provident society')
- co-operative society
- community benefit society

registered under the Co-operative and Community Benefit Societies Act 2014.

You must submit this form and the society's accounts within 7 months of the end of your financial year. Failure to submit is an offence for which the society may be prosecuted.

Please note:

- we have an information note that may assist you in completing this application
- any personal details you give on the form will be placed on the society's public file.
- it is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to process your annual return.

Please keep a copy of the form and supporting documents for future reference.

### **Terms in this form**

'FCA', 'PRA', 'us' and 'we' refer to the Financial Conduct Authority or Prudential Regulation Authority.

'You' refers to the person signing the form on behalf of the society.

'The 2014 Act' is the Co-operative and Community Benefit Societies Act 2014



## Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

### Filling in the form

**1** If you are using your computer to complete the form:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
- print the completed form and arrange for it to be signed by all relevant individuals.

**2** If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed and dated by all relevant individuals.

**3** If you make a mistake, cross it out and initial the changes; do not use correction fluid.

**4** If you:

- leave a question blank;
- do not get the form signed; or
- do not attach the required supporting information

without telling us why, we will treat the application as incomplete. This will increase the time taken to assess your application.

**5** If there is not enough space on the form, you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number. Any separate sheets should be signed by the signatories to the form.

**6** Email a scanned copy of the signed form and supporting documents to

[mutualsannrtns@fca.org.uk](mailto:mutualsannrtns@fca.org.uk)

or send it by post to:

Mutuals Team  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS

**7.** Please make sure you include:

- this form
- a set of printed accounts – signed by two members and the secretary (3 signatures in total)
- an audit report or accountant's report where required; and
- any supporting documents.

# 1

## Details of society

### 1.1 Details of the society

Register number	IP31116R
Registered office address	9 Morningson Road, Southport
Postcode	PR9 0TS

### 1.2 Year end date (dd/mm/yyyy)

See Note 1.2

3	1	/	0	3	/	2	0	1	7
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### Committee of management

If you are a club you do not need to give a year of birth in questions 1.3-1.6.

The names of the members of the Committee at the date on which the return is signed should be entered below in BLOCK CAPITALS.

### 1.3 Details of Chairman

Name	Pastor Peter Cunningham
Address	16 Hartwood Road Southport
Postcode	PR9 9AA
Year of birth	1942
Business occupation and other directorships	

### 1.4 Details of Treasurer

Name	Barry Moore
Address	60 Longacre Southport
Postcode	PR9 9TB
Year of birth	1976
Business occupation and other directorships	



## 1.5 Details of Secretary

Name	Simon F. Westmacott
Address	Greenacre Meopham Green Kent
Postcode	DA13 0PY
Year of birth	1944
Business occupation and other directorships	Chartered Accountant

## 1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
Pastor Peter Cunningham	16 Hartwood Road, Southport PR9 9AA	1942	
Andrew M Cunningham	The Coach House Charnleys Lane, Banks, Southport PR9 8HH	1974	Director, Andrew Cunningham Building Design Ltd.
~Rory Paget-Wilkes	156 Swaton Road London E3 4ER	1977	
Justin Dempster	8 Old Links Close Southport PR9 7UB	1947	
Francis Goodwin	The Mansion House 1 Purley Magna Purley-on-Thames RG8 8EL	1952	
Ernest Hibbert	15A Church View Crigglestone Wakefield WF4 3PF	1946	

Please use separate sheets of paper if you need more space, following the instructions provided in section 5 above.

Please indicate how many separate sheets of paper you have used

1

**Please continue, answering all questions.**



**1.7 Are any members of the society's committee disqualified as directors under the Company Director Disqualification Act 1986?**

- ☒ No  
☐ Yes

**1.8 Does the society carry out any activity which is regulated under the Financial Services and Markets Act 2000?** (e.g. accepting deposits in a form other than withdrawable shares; offering insurance products; undertaking residential mortgage business). If 'yes' please state the society's Financial Services Register firm reference number

- ☒ No  
☐ Yes

Financial Services Register firm reference number

**1.9 Is the society a subsidiary of another society?**

- ☒ No  
☐ Yes

**1.10 Does the society have one or more subsidiaries?**

- ☐ No  
☒ Yes

**1.11 Is the society currently accepted by the HM Revenue and Customs as a charity for tax purposes?**

- ☐ No  
☒ Yes

Please confirm you have attached a copy of the letter from HM Revenue and Customs confirming charitable tax status:

- ☒ Yes

**1.12 Is this society a charity registered with the Office of the Scottish Charity Regulator (OSCR)?**

- ☒ No  
☐ Yes ▶ provide your Scottish Charity number below

**1.13 Is the society registered with one of the following (please tick)?**

- ☐ Homes and Communities Agency  
☐ The Welsh Ministers  
☐ Scottish Housing Regulator

If so, please provide your register number

**All societies must answer the following questions:**

- if a **bona fide co-operative society** go to question 1.14
- if **existing for the benefit of the community** go to question 1.19

**Bona fide co-operative society**

**1.14 How did members benefit from the business, industry or trade of the society during the year?**

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**1.15 Is membership of the society required to obtain the benefits offered by it?**

☐ Yes

☐ No

**1.16 In what way did members participate in an ongoing basis in the society's primary business during the year?**

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**1.17 How did members democratically control the society?**

--

**1.18 How did the society use any surplus/profit?**

If the society distributed the surplus/profit to members please explain how this was done.

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Please use separate sheets of paper if you need more space (see section 5 above)

Please indicate how many separate sheets of paper you have used.

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**Continue to 2.1**



## Community benefit society

### 1.19 Who are the community the society benefited?

The vision and objectives for the company are to eradicate homelessness in the UK and provide accommodation for the marginalised. To achieve this, we work with mainly Christian partners to establish projects and provide pastoral and spiritual care and assistance.

### 1.20 How did the society benefit that community during the year?

Our "Partners" are those organisations, often churches, to which the company lets its homes for the homeless on medium term leases, typically for 6 – 10 years. These partners will have already identified one or more tenants and an appropriate home(s) which the company will buy, subject to due diligence. The partner sub-lets to the homeless person or family, mentors them and provides organisation and management to their lives, the objective being to make the tenants self-sufficient. We see this provision of property as a releasing of churches to provide homes and support.

### 1.21 How did the society use any surplus/profit?

All CBS assets are asset-locked, meaning they cannot be sold and the proceeds distributed outside the company. During the year all property purchased facilitated the provision of additional homes and support. Any surplus generated by subsidiary companies was utilised towards the core purpose. Partners provide pastoral support to tenants free of charge, sustaining tenancies. Support is wide ranging and varies across the partnerships depending on tenant backgrounds.

Please use separate sheets of paper if you need more space (see section 5 above).  
Please indicate how many separate sheets of paper you have used.

0

**Continue to 2.1**

# 2 Statistics

## Account details

### 2.1 You must enter the figures below

See notes for help on items E-T. Enter NIL where applicable

A	Members at beginning of year	3
B	Members ceased during year	0
C	Members admitted during year	0
D	Members at end of year	3
E	Turnover for year	2230727
F	Total of income and expenditure (receipts and payments added together)	4,373,990
G	Net surplus/(deficit) for year	207,753
H	Fixed assets	24,480,436
I	Current assets	6,824,499
J	Total assets (equal to amount in row O, below)	31,304,934
K	Current liabilities	11,703,960
L	Share capital	1,000
M	Long-term liabilities	17,339,342
N	Reserves	2,260,633
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	31,304,934
All societies (excluding clubs) must complete boxes P-T		
P	Investments in other registered societies	0
Q	Loans from members	0
R	Loans from Employees' Superannuation Schemes	0
S	Dividends on sales	0
T	Share interest	?

**2.2 Names of subsidiaries as defined in sections 100 and 101 of the Co-operative and Community Benefit Societies Act 2014**

Adoni Developments Ltd
Green Pastures Developmens Ltd
Green Pastures North West Ltd.

**2.3 Names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions (as approved by the FCA)**

The society must have written authority from us to exclude a subsidiary from group accounts




# 3

## The audit

### 3.1 Type of audit used for the attached accounts.

If the society has used a full professional audit or an accountant's report then the report must be prepared by a registered auditor.

- ☒ Full professional audit    ▶ Continue to section 4
- ☐ Accountant's report    ▶ Complete questions 3.2 and 3.3
- ☐ Lay audit    ▶ Complete questions 3.2 and 3.3
- ☐ Unaudited    ▶ Complete questions 3.2 and 3.3

### 3.2 Do the society's registered rules allow the society not to undertake a full professional audit?

- ☐ No
- ☒ Yes

### 3.3 Has the membership passed at a general meeting a resolution allowing the society not to undertake a full professional audit for the year of account in question? (In accordance with section 84 of the Co-operative and Community Benefit Societies Act 2014)

- ☒ No
- ☐ Yes

# 4

## Accounts and signature

### Accounts

**4.1 Date on which the accounts and balance sheet will be/were laid before the AGM (dd/mm/yyyy)**

2	7	/	1	0	/	2	0	1	7
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**4.2 Has your society produced accounts to the minimum standard required?**

☒ Yes ▶ you must confirm that you have attached the accounts and the audit/accountant's report bearing the original signatures of the auditor (if required by law), the secretary and the two committee members.

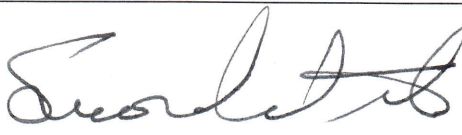
☒ Attached

☐ No ▶ you must produce accounts to the minimum standard required, see notes for details.

### Signature – all societies to complete

**4.3 The Secretary of the society must sign and date below**

I certify that the information in this form is correct to the best of my knowledge and belief.

Name	Simon Westmacott
Signature	
Phone number	01474 813143
Email	alpha@westmacott.net
Date	30/10/2017

**Green Pastures CBS Limited**

**AR-30 for year ended 31 March 2017**

**Continuation sheet to page 4**

**Members of the Committee, also directors**

Alison Gelder  
Flat 7 Newall House,  
Harper Road,  
London SE1 6QD.

David Smith  
Boaz Trust  
First Floor, 110 Oldham Road,  
Manchester, M4 6AG

Simon F. Westmacott  
Greenacre  
Meopham Green,  
Kent DA13 0PY



Charity Registration No. XT27103

Company Registration No. IP31116R (England and Wales)

**GREEN PASTURES CBS LIMITED**

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

## GREEN PASTURES CBS LIMITED DIRECTORS' REPORT AND FINANCIAL STATEMENT 2017

### LEGAL AND ADMINISTRATIVE INFORMATION

#### Directors

Pastor Pete Cunningham  
Andrew Cunningham  
Rory Paget-Wilkes  
Francis Goodwin  
Ernest Hibbert  
Justin Dempster  
Alison Gelder  
David Smith  
Simon Westmacott

#### Secretary

Simon Westmacott

#### Charity Number

XT27103

#### Company Number

IP31116R

#### Registered Office

9 Morningson Road  
Southport  
PR9 0TS

#### Independent Auditors

Mazars LLP  
Times House  
Throwley Way  
Sutton  
Surrey  
SM1 4JQ

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STATEMENT OF DIRECTORS' RESPONSIBILITIES REPORT

FOR THE YEAR ENDED 31 MARCH 2017

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The Directors submit the statutory report and consolidated accounts of Green Pastures CBS Limited ("CBS") for the year ended 31 March 2017.

**Reference and administrative details of the Company**

CBS is an Industrial and Provident Society incorporated as a registered company with exempt charitable status and as such is exempt from the requirement to be registered as a charity with the Charity Commission. The company was formed under the Industrial and Provident Societies Acts 1965 to 2002 (now superseded by the Co-operative and Community Benefit Societies Act 2014) and as such is governed by its Rules.

The Financial Statements follow the requirements of the revised Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015), as issued by the Charity Commission in 2014. For the purpose of charity law, both Executive and Non-Executive Directors are also the company's trustees and are responsible for making all major decisions on behalf of the Company.

The Directors who served during the year or before the date of this report were:

**Executive Directors**

Pastor P Cunningham

Andrew Cunningham

Rory Paget-Wilkes

Simon Westmacott (appointed 1 April 2016)

**Non Executive Directors ("NED"s):**

Francis Goodwin

Ernest Hibbert

Justin Dempster

Alison Gelder

David Smith

**Directors' interests**

The Executive Directors' interests in the issued share capital of CBS were as stated below:

	<b>Ordinary shares of £1 each</b>	
	<b>31.03.17</b>	<b>31.03.16</b>
Pastor Pete Cunningham	334	334
Andrew Cunningham	333	333

The only other shareholder was AV Woodley, a member of the management committee who held 333 shares at both year end dates.

**Main aim, objectives and activities**

The vision of the CBS group is:

- to provide homes for the homeless and those in need, in every UK city, town and village;
- to eradicate homelessness in the UK through partnering with mainly Christian projects;
- to provide sustainable accommodation for the marginalised; and
- to provide pastoral and spiritual care and assistance for the homeless and those in most need.

The CBS group operates through buying and building property to house people who are sleeping rough or in unsuitable accommodation thereby providing those people, who have little in their lives that is secure, with a home. We partner with local churches and charities who rent and manage the property and provide each tenant with the specific support they need. As referred to elsewhere in this report, CBS added a net 93 beds in 2017 compared with 84 the previous year. The target for the current year is to add 115 beds; by 4 September, GP had added 129 beds including those awaiting legal completion. CBS funds its activities through mortgages, bank finance, personal loans and the issue of unsecured loan stock paying 4% or 5% depending on the term or such lesser rate as the lender will accept.

**Organisation and management**

The CBS group receives overall management and direction from its management committee and NEDs. The management committee consists of the Executive Directors. The NEDs provide greater transparency, accountability and direction. Decisions involving an Executive Director as a related party or otherwise having a potential conflict of interest are taken by the remaining directors including the NEDs. Any NED who is similarly conflicted does not vote on such decisions.

**Recruitment, appointment, induction and training of new trustees**

The current trustees review this process and appoint those persons who are deemed suitable. An induction process is provided to new Directors to ensure

STATEMENT OF DIRECTOR'S RESPONSIBILITIES REPORT (CONTINUED)

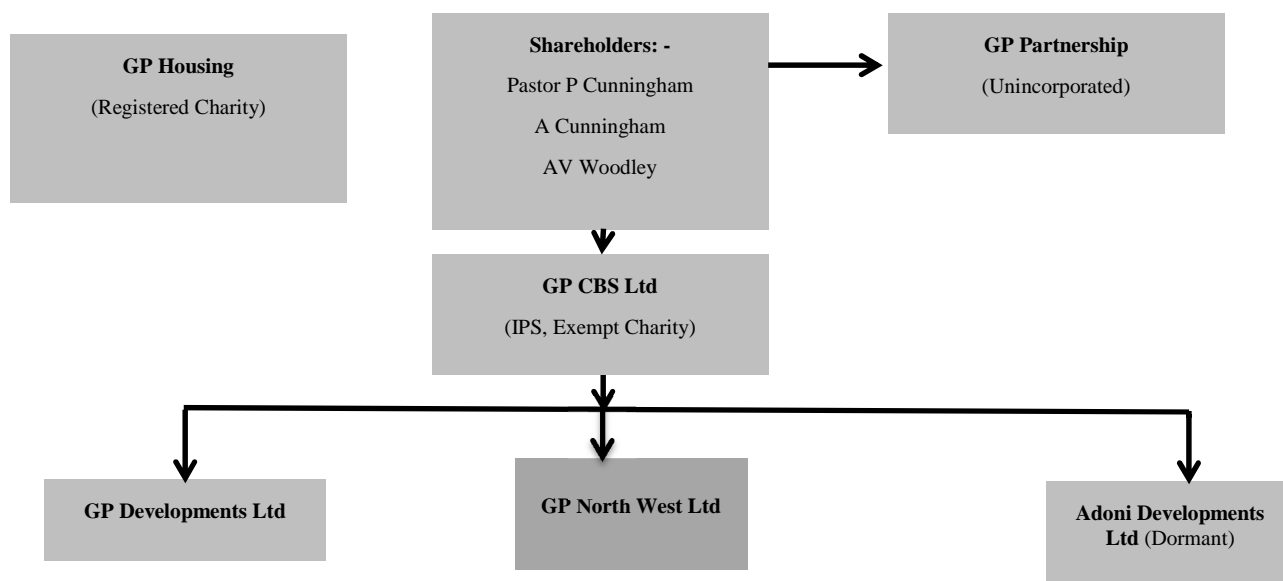
FOR THE YEAR ENDED 31 MARCH 2017

that they are aware of their responsibilities and understand the work of the charity.

Key staff retention remains a priority.

**Group Structure**

The CBS group consists of the parent company, CBS, and three subsidiaries as shown on the group structure below. The three individuals who own the shares as shown on the previous page are also partners in Green Pastures Partnership which is also shown on the group structure below:



The objectives of all the separate entities shown above mirror those of the charitable group, except for Green Pastures Developments Limited ("GPD") which is involved in property development with the objective of supporting the activities of CBS.

Green Pastures Housing is a separate registered charity (charity number 1131468) whose primary purpose is to collect donations from individuals and organisations for housing the homeless, operate gift aid and pay these over to CBS and other parties. One of its trustees is the father of Rory Paget-Wilkes, a director of CBS, but it is otherwise independent from other Green Pastures entities. Green Pastures Partnership ("GPP") owns several properties housing homeless people and dates back to the origins of the Green Pastures operation in 1999.

**Public benefit**

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's aims and objectives, and in considering future activities of the company.

The vision and objectives of the Company are to eradicate homelessness in the UK and provide accommodation for the marginalised. To achieve this we work with mainly Christian partners to establish projects and provide pastoral and spiritual care and assistance.

Our "partners" are those organisations, often churches, to which CBS lets its homes for the homeless on medium term leases, typically for 6 - 10 years. These partners will have already identified a tenant and an appropriate home which CBS will buy, subject to due diligence. The partner sub-lets to the homeless person or family, mentors them and provides organisation and management to their lives, the objective being to bring the tenants to self-sufficiency. We see this provision of property as a releasing of churches to provide homes and support.

All CBS assets are asset-locked, meaning they cannot be sold and the proceeds distributed outside the company. During the year all property purchased facilitated the provision of additional homes and support. Any surplus generated from subsidiary companies was utilised towards the core purpose. Partners provide pastoral support to tenants free of charge, sustaining tenancies. Support is wide ranging and varies across the partnerships depending on tenant backgrounds. Tenants range across families, addicts, ex-offenders, destitute asylum seekers, sofa surfers, families with disabilities regardless of age, gender or religion. Support includes assisting with household administration, ensuring doctor and hospital appointment attendance, food parcels, welfare to work programmes, encouraging access to wider church programs including Alpha, Celebrate Recovery, Community Awareness Programme, Sunday School, Youth, Cell Groups, Sunday Services and Volunteering. Some partners have accessed allotments to grow fruit and vegetables while others have started businesses so that residents can train to be economically self sufficient. This work raises small funds to support partner ministries.

Whilst not quantified, this wide ranging support has a positive impact on the public purse by reducing prison population and assisting tenants back to work whether voluntary or paid. Tenants with addictions are offered support by professional services including rehabilitation. All our efforts are centred on homeless people and the wider issues surrounding the causes of homelessness so that such people can rebuild their lives and become socially and economically self-sustaining. This is not only fulfilling for them, but enables them to move on and release their GP home for someone else. We continue to seek improvement in our ministry and share best practice with all partners. The annual partner conference is a great resource for partners to share experience and ideas, which results in greater impact.

During the year, we expanded our criteria for property investment whereby we will buy a small number of newly build homes to let on the open market.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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Whilst still providing new homes for people to rent, these homes provide Green Pastures with an asset cushion whereby they can be readily sold should the need arise without disturbing any of our tenants who would otherwise be homeless. We have negotiated to buy 12 such homes at a discount from a developer which we expect to realise a growing margin over cost of funds into the future.

**Review of the year**

The year to 31st March 2017 maintained our growth rate, achieving 93 new bed spaces against a target of 115. This compared with 84 net bed spaces added during 2016. During the year, we spent £3.4m on additional properties and sold the plot at 19-21 Southport Road realising a gain of £6,697. At the year end, our pipeline stood at £2.46m consisting of 49 bed spaces, 4 investment houses and a drop-in centre. Additions between the year end and 4 October 2017 brought the total number of bed spaces to more than 900.

We would not however, have come this far without the support, trust and faith in what we do from our stakeholders. The rewards have been plentiful, both in regard to the company and in the impact on the local communities in which we operate.

The team at Green Pastures continues to work relentlessly in order to improve every aspect of what we do for our tenants and the corresponding impact this has in our community. For this reason, it is not only the finances that are prioritised because we work with and for people in need, but the quality of provision is also important in order permanently to change our tenants' lives.

The CBS group maintained its partner liaison staff during the year to achieve growth by extending the network of church partners including handling prospective partner enquiries and bringing about firm and lasting relationships personally with the partners in each town where we purchase homes. An important part of the partner liaison work is providing experience and knowledge to new partners who are leasing a property and supporting tenants for the first time.

Additional staff for promotional work brings to the forefront the development of loan stock investment through conference attendance, radio campaigns, speaking engagements and newsletter releases enabling the wider Christian community to partner and invest with us. We have also been able to develop links with government ministers and departments and other charitable organisations. We are currently discussing with ministers the possibility of Green Pastures housing refugees, a new departure for us if not for some of our partners and which we would welcome. Our public relations work includes the development of our award winning website, development of Twitter which now attracts over 5000 followers and YouTube videos.

In summarising our operational achievements this year, Green Pastures has continued to improve its multiple bottom lines. This year, we can show what impact we have had, noticeably through our work in housing the homeless and helping the marginalised.

As a Christian Social Enterprise, we believe that faith is fundamental to having a full life. This year several tenants found faith for the first time or their faith was renewed.

Our "Pathways – Welfare to Work" Program continues to provide opportunities for tenants to work voluntarily or part time paid. There are several tenants who have been working consistently for over a year.

Green Pastures has an aspirational target of creating 1 home for each home bought, achievement of which is likely to be dependent upon a stream of suitable development opportunities. Notwithstanding our decision to sell the plot to the rear of Southport Road, it will nevertheless be developed to provide 5 affordable new homes.

**Financial Performance**

The results for the year and the state of the charitable group's affairs as at 31 March 2017 are set out in the financial statements on pages 9 to 25. On a stand-alone basis, CBS's operating profit ("net incoming resources") fell to a loss of £(67)k from £364k in 2016 whilst on a consolidated basis, CBS achieved a surplus of £131k compared with £242k. The surplus for 2016 included a final share of the value of the new homes at Barking.

CBS has continued its growth programme by investing more than £100,000 during the year, referred to in the Review of the Year. This recurring cost has been carried in our Profit and Loss account, so as the business grows, margins improve as the cost is spread. Our intention is that the present growth infrastructure will enable the group to add a further 150 homes together with supporting ministry. If viability were at stake, this growth expenditure could be reduced but there has been no necessity for such reduction.

As noted elsewhere, the Directors' policy is to gift profits from subsidiaries up to CBS because the very reason for their existence is to support the core business of providing homes for the homeless. We expect the consolidated position in March 2018 to show a material increase in group equity and available cash.

Our stand-alone operating profit for the year of £(67k) excludes dividends from subsidiaries of £53k and release of negative goodwill of £43k; after bringing these in, the stand-alone result for the year was a profit of £29k. Stand-alone net current assets improved to £(2.4m) from £(4.3m). We are maintaining our effort to move the maturity profile of our loan stock away from short term by offering reduced interest rates for terms of less than 5 years and will shortly be taking on medium term bank lending..

On a consolidated basis, our net incoming resources of £131k tangibly contributed to our net assets as did the discount at which we acquired GPNW notwithstanding that under accounting rules, we shall be showing the benefit over 10 years.

From time to time, properties increase in value to an extent that there is advantage in selling and repurchasing elsewhere, or where CBS is left without a partner. In such cases, properties are sold. Apart from plots, no properties are currently due for sale.

CBS group has maintained growth overheads during this period whilst increasing its cash reserve to improve its capability for new home purchase.

**Cash Management**

CBS's policy is to hold liquid funds of 10% of loan stock in issue to cover short term cash flow requirements. These liquid funds may be in the form of cash deposits or short term secured loans to third parties with a six-month call option or otherwise available by way of bank facility. The purpose of liquidity is to provide flexibility in cash management, in particular to enable the company to move quickly as opportunities arise and to meet loan stock repayments when due. Our loan stock facility coupled with bank resources enables us to manage a consolidated position of net current liabilities although our long term objective is to trade into net current assets. Part of the current position is caused by undated loans to subsidiaries repayable on demand, in particular £1.1m within GPNW, which have been in place for some years. The plan gradually to refinance such loans into dated CBS loan stock has gone well and at the

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

date of this report, the majority of loan holders approached have taken CBS loan stock. Further information on loan stock is given under that heading below.

Our 10% margin policy inevitably fluctuates according to the timing of property purchases; at the end of the year, cash as a percentage of borrowings had risen to more than 10% as a consequence of fewer property purchases but with several in the pipeline. In order to meet the expense of holding cash we have identified higher interest accounts and secured loans that help to offset the costs of depositing funds with our bankers at their current rates. These holdings include loans secured on property at up to 60% RICS valuation.

**Loan Stock**

Investor interest in our Loan Stock remained strong throughout the year. As a consequence of net incoming loan stock funds exceeding our foreseeable requirements, we reduced the offered interest rates for the 21<sup>st</sup> issue covering April – June 2017. We had never done this before and the result was a significant reduction in incoming funds which coincided with a surge in demand for properties. Accordingly, we reversed the rate reduction from 2 July and net inflow was recovering well by September when on 22<sup>nd</sup>, our loan stock balance stood at £21.4m. We invite investors to support CBS by accepting rates lower than the standard 5% or 4% and to extend their term which has met an encouraging response. Our average interest rate payable has reduced to 4.5% and the average term is **approximately 4 years**. As at 30 September 2017 there were approximately 1,000 investors with more than 1,500 loans

As at 31 March 2016, the balance of issued CBS loan stock stood at £14.8m; during the year, £886k was repaid and 83% of investors representing 87% by value of those entitled to repayment chose to renew their investments. The balance at 31 March 2017 stood at £20.6m.

Should investors wish unexpectedly to redeem their investment early and for good reason, CBS can usually accommodate such requests through its overall cash management arrangements. As at the balance sheet date, loan stock due for repayment within the next 12 months amounted to £9.6m. Longer term obligations stood at £11.1m

Our financial model utilises property purchases funded on average by loan stock and bank or mortgage loans, the latter typically accounting for approximately two thirds of the total. New loan stock, bank and mortgage loans are also used to refinance existing facilities.

**Bank Loans**

We are pleased that one of the major banks has continued to fund our property acquisitions albeit for shorter commitments and we expect to draw a further loan of £4m this autumn. Margins however have hardened, pushed by regulatory impact.

**Business Angels**

Over recent years, business angels have provided GP with, in aggregate, a free standby facility of £1m. This finance only incurs expense when drawn down at 5% and provides additional financial resource for future purchasing or exceptional circumstances. This is a valuable facility and we are most grateful to our angels for providing it at no commitment cost.

**Reserves**

The nature of CBS's business means that its operating revenue streams are reasonably predictable in the form of rents. It has operating costs, particularly business development, that could be reduced if necessary. The need to provide operating reserves, for example against fluctuations in donor income, is therefore not great. As the business grows, operating surpluses are expected which will be used to add to the capital base thereby providing flexibility in the application of our 9% model<sup>1</sup> as well as enlarging the equity base to support future borrowing. The intention is also to provide a financial cushion to provide short term flexibility when interest rates rise which is widely expected at some point.

The 9% model is our target gross rental income on our properties and is made up as follows:

	%
Interest and capital	6.3
Voids and bad debts	0.5
Operational Costs	<u>2.2</u>
Total	<u>9.0</u>
Cyclical repairs	0.8
Business Growth costs	1.0

The model is flexible and the component mix varies from property to property. We see the operational cost as relatively high in percentage terms; this reduces as we grow. We also expect to generate supporting income from other sources such as property development to provide a more sustainable base. As at the balance sheet date, CBS had a development site on Southport Road, Southport on which it has obtained planning consent and after exploring several possibilities has decided to proceed to an outright sale to provide a useful profit. In early September, we were proceeding slowly towards contract exchange.

**Risks**

The CBS group has undertaken a review of major risks to which it is exposed and monitors regularly. Budgets and management accounts have been prepared to ensure sufficient working capital is available to meet day to day requirements.

Green Pastures continues to review its risks including interest rate rises, house price and rent movements, government and local authority policy changes, investment trends and the needs and approaches of its stakeholders. These include partners, loan stock holders, bankers, employees and our suppliers such as builders, professional firms and others. We do not foresee any significant external changes during the forthcoming year. Mitigation strategies implemented include holding liquidity, improving surpluses, identifying opportunities and purchasing swiftly to maximize advantage so that we can build our equity base. We also cultivate close relationships with our partners.

<sup>1</sup> Normally our minimum gross investment yield

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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We regularly review CBS's position as a going concern. As noted under "Financial Performance", the financial position of CBS on a consolidated basis has continued to improve.

Property developments, referred to below under "Developments", have become a significant contributor to our growth. We are particularly mindful of the risk exposure which such projects can entail and our policy is always to minimise such exposure and to limit it to levels which the group can handle. Furthermore, the flow of development opportunities cannot be predicted with certainty.

In past years, CBS has been usefully served by rising property values, less so in recent years. Our strategy is not built upon rising values. We do not envisage a fall in property values as negatively affecting our operating performance.

**Interest Rates**

To purchase properties, we utilise funding from financial institutions and from our Unsecured Loan Stock, holders of which sometimes accept less than the offered rate, currently 5% or 4% depending on the term. Our current average is 4.5%. There is currently speculation that the current base rate of 0.25% may rise at the next Bank review but we think a rise of more than 0.25 percentage points before the end of 2017 to be unlikely. At the time of writing, a rise of one quarter percentage point in interest rates would adversely affect our current annual results by £12,128

**QA & Awards**

We are ISO 9001 Quality Assurance Accredited. This is a nationally recognised accreditation and management tool used continually to improve operational and administrative procedures to highlight and eliminate inefficiency and wastage.

**Going forward**

Our strategy to maintain growth costs, develop strategic promotions and increase cash reserves now shows social and financial dividend. As at the year end CBS had more than £3.4m cash resources with sufficient acquisition opportunities available to absorb the entire sum. Partner enquiries for bed provision continue to flow so we are well placed with further increased capacity to provide homes and support. As operational and growth costs are already incorporated, this will also improve the financial performance of CBS group. We had hoped to improve significantly on the 84 additional homeless people we housed and supported in the year to 2016 and achieved an additional 93 beds for 2017. For the year ending March 2018 we are targeting an increase of 110 beds and by 30 August had 125 completed or with solicitors. We are currently budgeting an average bed space cost of £33,000 and assessing how we might better expand the business.

Our forecast targets are prayerfully considered and influenced by existing and new partner appetite, loan stock investment, bank and economic trends and head office capacity. We are currently exploring with central government the possibility of providing homes for migrants.

New properties continue to be acquired using our 9% model; although this has been challenging in some areas, in others we have marginally exceeded it.

Payroll costs remained little changed except for growth costs where the increase was one third as we increased our capability. We have since had a reduction which we envisage will be temporary.

**Exempt Accommodation**

CBS group partners continue to have success gaining exempt accommodation funding, a process in which GP provides support. This provides Green Pastures partners with additional resource which is often essential in meeting our 9% investment requirement. We are mindful that EA is due to change during 2019 and are encouraging our partners to target local authorities to maintain the levels of income that they need.

**Gifts**

Green Pastures is immensely grateful for the £62,000 it received in gifts from across the country as a result of its actively seeking grant or gift funding during the year.

At the beginning of 2013 we introduced a requirement for partners to commit their supporters to give to the CBS group over and above lease agreements. This is slowly improving the financial performance, increasingly so as CBS agrees more partners.

**Savings**

Operating costs, excluding interest, rose as a percentage of income partly as a result of increased costs generally, a factor which management is addressing. During the current year we shall be incurring additional costs on a new processing service to maintain our loan stock records on a more secure and accurate basis coupled with availability of a wide range of management data.

CBS's transition plan includes transferring all of its subsidiary companies' assets into CBS, thereby increasing the CBS balance sheet directly and reducing costs. The only remaining subsidiary housing the homeless is GP North West; hiving up its business will take some years because of the size of the company. We need to keep the company long term because it contains some taxable commercial activities. Tax payable can be eliminated by donating taxable profits to CBS.

**Valuations**

House valuations have remained stable or marginally improved during the year outside central London which tends to be prohibitively expensive. Increases in valuations do not improve our operational financial performance but positively improve the balance sheet. The national market will continue to be monitored and the portfolio value adjusted when required. All parts of the portfolio are subject to RICS valuations so that over a period of time, all properties are professionally valued.

**Developments**

The core purpose of Green Pastures will not change from providing homes mostly in partnership with churches to support people who would otherwise be homeless. One part of our goal is to create new energy-efficient housing stock. Since 2009, we have created 79 new homes which have had success in providing homes for both homeless people and the open market.

Whilst financial performance is not GP's primary purpose, it is integral to the social enterprise success by expanding the capital base to fund our growth as

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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an asset-based charity as well as being available to underpin our recent and diminishing operating deficit.

Last year's report referred to the purchase in 2013 of a site in Southport for the development of dwellings. Having obtained planning consent and considered various possibilities, we decided to accept an offer for outright sale, liberating cash for other purposes. We continue to be alert to development opportunities to supplement our capital base.

**Independent Directors and Mentors**

The executive board routinely meets 8 times during the year during which the NEDs are invited to attend twice. Once a year, CBS group executive directors have a strategic meeting. This combination is assisting the board to monitor, budget and adjust thereby becoming more efficient, enabling it to provide more homes and support.

**Related Party Transactions**

Andrew Cunningham, a director of and shareholder in CBS, is also director and 50% shareholder in Andrew Cunningham Building Design Ltd ("ACBD") which has had contractual relationships with borrowers of funds from CBS at various times as previously reported and referred to at Note 19. Related Parties. During the year, ACBD carried out 'at risk' work for a planning application on 270-274 Central Drive, Blackpool. During the year, CBS paid fees totalling £12,058 to ACBD for planning application work on 1 – 15, Southport Road.

Simon Hirst, a director of GPD, is also a director of Christian Property Group ("CPG") which received in 2015 a loan of £260,000 from CBS secured against property which attracts a 10% return. CPG shares the same values as CBS and intends to create surpluses to assist homeless people. Simon continued to provide invaluable experience and professional input to the Barking new build project for which he received from GPD a fee of £6,250 during the year.. As at 31 March, CPG owed £290,535 including accrued interest of £30,534.

Transactions during the year between CBS and GPNW are referred to in Note 19 to the accounts. Work carried out by ACBD for CBS including its subsidiaries or for GPNW are also referred to in Note 19 to the accounts.

Last year's report referred to Berkeley Foundation Ltd., a company limited by guarantee of which Paul Cunningham is a director was entitled to a fee of 1% of the development value of the Marks Gate project. During the year Berkeley Foundation received fees of £26,431 (2016: £3,518) as its final fee payment. Paul Cunningham is a brother of Pastor Peter Cunningham who is a director and shareholder of CBS and uncle of Andrew Cunningham, a director of GPD as well as a director and shareholder of CBS.

**Conclusion**

Green Pastures continues to be a faith-based social enterprise. The directors continue to create an environment that allows faith to operate. Good stewardship is also critical to GP's ability to fulfil its core purpose. We continue to strive to be good stewards. The team of founders, directors, independent directors, mentors, staff and volunteers remain steadfast to future challenges. There is a wealth of faith, ability and passion throughout Green Pastures that also encompasses partners, investors and givers. This team is well placed to meet the issues outlined and continue the journey of eradicating homelessness.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the principles and methods in the Charities SORP
- c. make judgements and accounting estimates that are reasonable and prudent;
- d. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enables them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditor**

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors 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 company's auditors are aware of that information.

**Auditors**

The re-appointment of Mazars as our auditors will be put at the Annual General Meeting.



STATEMENT OF DIRECTOR'S RESPONSIBILITIES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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Approval

This report was approved by the Directors on 27 October 2017 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'P Cunningham', with a long horizontal flourish extending to the right.

P Cunningham

Director

We have audited the financial statements of Green Pastures CBS Limited ("CBS") for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated Statement of Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

**Respective responsibilities of trustees and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. 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.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the Company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland"; and
- have been prepared in accordance with the Part 7 of the Co-operative and Community Benefit Societies Act 2014

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Part 7 of the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Mazars LLP**

Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: 31 October 2017

GREEN PASTURES CBS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
	Notes	Unrestricted funds	Prior period total funds
		£	£
<b>Income and endowments from:</b>			
Donations and Legacies	2	62,289	45,911
Charitable activities	4	1,872,914	1,258,963
Other trading activities		57,591	3,468,687
Investments	3	237,933	131,992
Other		<u>0</u>	<u>395,934</u>
<b>Total</b>		<u>2,230,727</u>	<u>5,301,487</u>
<b>Expenditure on:</b>			
Raising funds		99,755	3,565,202
Charitable activities		1,918,426	1,399,639
Other		<u>118,240</u>	<u>123,670</u>
<b>Total</b>	<b>7</b>	<u>2,136,421</u>	<u>5,088,511</u>
Corporation tax		276	5,329
Net (losses) on investments		<u>(6,841)</u>	<u>(19,579)</u>
<b>Net income</b>		87,741	198,726
Other recognized gains		43,366	43,366
Gains/(losses) on revaluation of fixed assets		76,646	(359,600)
Other gains		<u>-</u>	<u>237,377</u>
Net movement in funds		<u>207,753</u>	<u>119,869</u>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 April		2,053,880	1,934,011
Total funds carried forward at 31 March	18	<u>2,261,633</u>	<u>2,053,880</u>

The group has no restricted or endowment funds.

All amounts relate to continuing activities

The Notes on pages 14 - 25 form part of these financial statements.

**GREEN PASTURES CBS LIMITED****CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Total Income	2,230,727	5,301,486
Total expenditure from income funds	<u>2,136,421</u>	<u>5,108,090</u>
<b>Net income for the year</b>	94,306	193,396
<b>Taxation (credit)</b>	<u>(276)</u>	<u>(5,329)</u>
<b>Net income after tax</b>	<u>94,582</u>	<u>198,725</u>

**CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES**

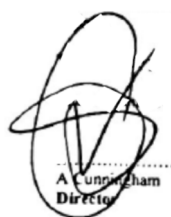
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income for the year</b>	94,582	198,725
Release of negative goodwill	43,366	43,366
Revaluation of tangible fixed assets held by income funds	76,646	(122,222)
Loss on sale of investment property	<u>(6,841)</u>	<u>-</u>
	<u>207,753</u>	<u>119,869</u>

AS AT 31 MARCH 2017

		2017	2016
	Note	£	£
<b>Fixed assets</b>			
Negative goodwill		(346,932)	(390,298)
Tangible assets	10	9,134	11,649
Investment properties	11	<u>24,818,234</u>	<u>21,483,875</u>
		24,480,436	21,105,226
<b>Current Assets</b>			
Debtors	12	516,414	927,259
Investments	12	2,897,731	804,817
Cash at bank and in hand		<u>3,410,354</u>	<u>2,477,354</u>
		6,824,500	4,209,430
<b>Creditors: amounts falling due</b>			
within one year	13	(11,703,960)	<u>(9,990,813)</u>
<b>Net Current Assets</b>		<u>(4,879,460)</u>	<u>(5,781,382)</u>
<b>Total assets less current liabilities</b>		19,600,975	15,323,844
<b>Creditors: amounts falling due</b>			
after more than one year	14	<u>(17,339,342)</u>	<u>(13,269,963)</u>
<b>Net Assets</b>		<u><u>2,261,633</u></u>	<u><u>2,053,880</u></u>
<b>Income funds Unrestricted</b>			
Share capital	16	1,000	1,000
Unrestricted income funds	18	135,677	61,702
Revaluation reserves	18	<u>2,124,956</u>	<u>1,991,178</u>
		<u><u>2,261,633</u></u>	<u><u>2,053,880</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The notes on pages 14 to 25 form part of these financial statements.

The accounts were approved by the Board on 27 October 2017



A Cunningham  
Director



P Cunningham  
Director




S Westmacott  
Company Secretary


AS AT 31 MARCH 2017

			2017	2016
			£	£
<b>Fixed assets</b>				
Tangible assets	10		8,097	10,267
Investment properties	11		17,885,549	14,824,143
Investments	12		<u>400,200</u>	<u>400,200</u>
			18,293,846	15,234,610
<b>Current Assets</b>				
Debtors	12	281,633		262,225
Amounts owed by group undertakings	12, 19	1,570,895		723,526
Investments	12	2,897,731		900,172
Cash at bank and in hand	.	<u>3,285,606</u>		<u>2,375,185</u>
		8,035,864		4,261,108
<b>Creditors: amounts falling due</b>				
within one year	13	<u>10,412,092</u>		<u>(8,574,851)</u>
<b>Net Current assets (liabilities)</b>			<u>(2,376,228)</u>	<u>(4,313,744)</u>
<b>Total assets less current liabilities</b>			15,917,618	10,920,866
<b>Creditors: amounts falling due</b>				
after more than one year	14		<u>(13,741,207)</u>	<u>(9,587,222)</u>
<b>Net Assets</b>			<u>2,176,411</u>	<u>1,333,644</u>
<b>Income funds</b>				
Unrestricted funds				
Share capital	15	1,000		1,000
Unrestricted income funds	17	645,163		659,126
Revaluation & other reserves	17	<u>1,530,248</u>		<u>673,518</u>
			<u>2,176,411</u>	<u>1,333,644</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The notes on pages 14 to 25 form part of these financial statements.

The accounts were approved by the Board on 27 October 2017

  
A Cunningham  
Director

  
P Cunningham  
Director

  
S Westmacott  
Company Secretary



AS AT 31 MARCH 2017

**Consolidated Statement of Cash Flows**

	2017	2017	2016	2016
	£	£	£	£
<b>Cashflows from operating activities</b>				
Net incoming resources	207,753		119,869	
Adjustments for:				
Depreciation	3,045		3,712	
Revaluation of fixed assets	(76,646)		(395,934)	
Amortisation of negative goodwill	43,366		41,587	
Gain / loss on disposal of tangible fixed assets	144		19,579	
Interest income	(237,425)		(131,992)	
Interest expense	1,029,433		759,210	
Trade and other receivables	(1,682,069)		592,100	
Inventories	-		-	
Trade and other payables	(498,170)		157,102	
<b>Cash flows generated from operations</b>		<b>(1,210,569)</b>		<b>1,165,233</b>
Interest paid		(1,029,433)		(759,210)
Tax paid		(5,329)		(6,921)
<b>Net cashflow from operating activities</b>		<b>(2,245,331)</b>		<b>399,102</b>
<b>Cashflows from investing activities</b>				
Purchase of property plant and equipment	(3,063,581)		(4,152,972)	
Proceeds on disposal of property plant and equipment	94,778		411,089	
Purchase of intangible fixed assets	-		-	
Proceeds on intangible fixed assets	-		-	
Purchase of investments	-		(400,000)	
Proceeds on disposal of investments	-		-	
Interest received	237,425		131,992	
		(2,731,378)		(4,009,891)
<b>Cashflows from financing</b>				
Capital repayments to bank	(1,729,999)		(3,239,193)	
Proceeds from new loans	7,639,708		7,183,028	
		5,909,709		3,943,835
Net increase in cash		933,000		333,046

## **1 Accounting Policies**

### **1.1 Basis of preparation**

The consolidated accounts have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommendation Practice, "Accounting and Reporting by Charities", effective from March 2015. Green Pastures CBS Limited is a public benefit entity as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 1002.

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

### **1.2 Basis of consolidation**

The group accounts consolidate the accounts of Green Pastures CBS Limited and its subsidiaries. The results of the subsidiaries are consolidated from and up to the date of change of control. Where necessary, accounting policies of subsidiaries have been aligned with the policies adopted by the group. All intra-group transactions including any gains or losses, income or expenses are eliminated in full on consolidation.

The consideration for subsidiaries is measured at fair value, which is the aggregate of the fair values of the assets transferred, liabilities incurred or assumed and the equity instrument issued in exchange for control of the acquiree. The acquiree's identifiable assets and liabilities are recognised at their fair value at the acquisition date.

Where the assets and liabilities of subsidiaries have been hived up to the parent charity, the original cost of those subsidiaries is permanently written off.

Goodwill arising on acquisition is recognised as an asset and measured at cost, representing the excess of the aggregate of the consideration and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the fair values of the identifiable assets and liabilities at the date of acquisition. Negative goodwill of £433,664 has arisen on the acquisition of GPNW and is being transferred to profit and loss in 10 equal annual instalments which began in 2016.

CBS and its subsidiary undertakings comprise a small-sized group; individual accounts have been prepared for each company of the group and are available on application to the Company Secretary.

The parent and subsidiary companies, along with a description of their principal activity, are listed as follows (each listed company operated within the UK): -

#### **Parent**

Green Pastures CBS Limited – housing the homeless

#### **Subsidiaries (each has 100% ownership by the parent company above)**

Green Pastures North West Limited – housing the homeless

Green Pastures Developments Limited – property development

Adoni Developments Limited - dormant

### **1.3 Going Concern**

On a consolidated basis, CBS generated an operating surplus ("Net incoming/outgoing resources") of £87,741 compared with a surplus of £198,725 after tax for 2016. The group has a number of properties which are available for sale including the site at Southport Road as well as several unencumbered properties. The directors do not expect any material rise in interest rates during the coming year. Based on the total of floating rate borrowings at the balance sheet date, a rise of a quarter of one percentage point would adversely affect GP by £12,128 p.a. Investor interest in CBS's loan stock issues remains strong and the directors do not envisage any going concern issues during the forthcoming year.

### **1.4 Income**

Donations and gifts are recognised when received. Donated facilities are included at the value to CBS where this can be quantified and a third party is bearing the cost. No amounts are included in the accounts for services donated by volunteers.

Income from charitable activities represent rental income from the land and buildings and are generally recognised as the rental agreement progresses so that for ongoing agreements it reflects the partial performance of the contractual obligations. For such agreements the amount of incoming resource reflects the accrual of the right to consideration by reference to the value of rental due according to each rental agreement. Rents and other income due and not received nor billed to clients are included in Debtors; payments on account in excess of the relevant amount due are included in creditors.

Where property is provided rent-free or at a discount, a RICS-assessed rental income is recognised offset by a charitable gift to the lessee as an expended resource.

Activities for generating funds represents the trade turnover from the trading subsidiary companies. This turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on long-term contracts and included in activities for generating funds, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. This turnover is calculated as that proportion of the total contract value which costs to date bear to total expected costs for that contract. Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Any excess payments are included in creditors as payments on account.

Investment income represents interest income on bank balances held during the year along with interest chargeable on loans made to various individuals and organisations to offset the cost of maintaining liquid funds of around 10%.

### 1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. So far there has been one activity, housing the homeless, except for property development carried out in a subsidiary company.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of CBS and include project management carried out at headquarters. Management and administration costs are those incurred in connection with CBS and compliance with the constitutional and statutory requirements.

Fundraising trading: costs of goods sold represents the cost of sales incurred by the trading subsidiaries.

### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, costing more than £1,000 are capitalised and are stated at cost (including any incidental expenses of acquisition) or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	0% on cost
Fixtures, fittings & equipment	25% reducing balance basis
Motor vehicles	25% reducing balance basis

Land and buildings are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Land held for development represents the cost of land acquired plus subsequent expenditure e.g. on planning applications which the Directors intend to develop within a subsidiary trading company within the foreseeable future or to sell on to third parties.

### 1.7 Investments

Current investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

### 1.8 Investment Properties

The group buys investment properties to house homeless people. These range from single one-bedroom flats to apartment blocks and may arise as existing buildings or from development. All acquisition costs including upgrades to meet current regulations are capitalised. No depreciation is provided on land or buildings but their values are continuously monitored with a rolling programme of RICS valuations covering all properties at intervals of not more than 5 years. In addition, movements in property values by region and type are collected from several sources and aggregated. The resultant movement is then applied across the portfolio to properties which have not had a RICS valuation during the year. The cost of internal equipment with a finite life such as alarms is expensed as incurred.

### 1.9 Funds

Unrestricted fund are funds which are available for use at the discretion of the Directors in furtherance of the general objectives of CBS for particular purposes. The group has no restricted or endowment funds nor are any of its unrestricted funds designated. The cost of raising and administering its funds is therefore not charged against any specific fund.

## 2 Donations and gifts received

	Consolidated		Charity	
	2017 £	2016 £	2017 £	2016 £
Donations and gifts	62,289	45,911	115,711	211,300

**3 Activities for generating income**

This activity represents the turnover of GPD and other miscellaneous income such as fees and sale of electricity cards.

**4 Investment income**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest receivable	<u>237,933</u>	<u>131,992</u>	<u>269,579</u>	<u>144,797</u>

**5 Incoming resources from charitable activities**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Housing the homeless	<u>1,872,914</u>	<u>1,258,963</u>	<u>1,378,303</u>	<u>997,442</u>

**6 Support Costs**

An analysis of support costs is set out below.

<b>2017</b>	<b>Charitable</b>	<b>Development</b>	<b>Total</b>	<b>Apportionment Basis</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
Governance	38,968	14,742	53,710	Costs directly incurred
Management and administration	58,400	7,750	66,150	Personnel, time spent
Finance and legal	96,067	12,808	108,875	Personnel, time spent
Business development including lessee liaison	<u>139,202</u>	<u>-</u>	<u>139,202</u>	Departmental cost
Total	<u>332,637</u>	<u>35,300</u>	<u>367,937</u>	
<b>2016</b>				
Governance	31,516	3,514	35,030	Costs directly incurred
Management and administration	24,951	1,118	26,069	Personnel, time spent
Finance and legal	73,551	7,203	80,754	Personnel, time spent
Business development including lessee liaison	<u>117,240</u>	<u>-</u>	<u>117,240</u>	Departmental cost
Total	<u>247,258</u>	<u>11,835</u>	<u>259,093</u>	

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**7 Other Costs**

In addition to the Support Costs shown above, the group incurred other costs as set out below including donations to the PCC of St Mark's Church, Marks Gate.

	<b>2017</b>	<b>2016</b>
Other Salaries	122,300	80,514
Rent and Rates	92,153	74,422
Travel & Subsistence	42,204	25,027
Office Expenses	11,010	12,725
Telecoms and I.T.	8,900	5,437
Professional Fees	52,471	69,255
Bank charges	4,291	4,321
Bad debts	73,308	46,516
Insurance	9,050	7,956
Donations	61,080	120,611
Construction and Associated costs	24,154	3,490,942
Property Maintenance	167,566	159,141
Utilities, taxes, insurance	68,546	41,319
Other costs	2,018	19,579
Loan interest paid	<u>1,029,433</u>	<u>691,232</u>
	1,768,484	4,848,997
Support costs above	<u>367,937</u>	<u>259,093</u>
Total Expenditure per SOFA	<u><u>2,136,421</u></u>	<u><u>5,108,090</u></u>

**8 Directors**

None of the Directors (or any persons connected with them) received any remuneration during the year except as otherwise shown below. Directors' travel and other expenses reimbursed were a total of £23,291 (2016: reimbursed £13,927).

**Employees**

**Number of paid employees**

The average monthly number of paid employees during the year was:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Directors	3	2
Staff	22	18
	<u>25</u>	<u>20</u>

During the year A Cunningham received a gross salary of £19,000 (2016: £18,984) for his work within CBS but not as his role as a charity trustee. His wife also received a gross salary of £25,000 (2016: £25,294) for her work within CBS. During the year R Paget-Wilkes received a gross salary of £30,000 (2016: £30,294) for his work within CBS but not as his role as charity trustee. During the year, S. Westmacott, who was appointed a director of CBS on 1 April 2016, received a gross salary of £5,000 for work within CBS but not as a charity trustee and consultancy fees of £39,103 (2016: £32,347).

#### Directors and Key Management

Key management personnel comprise:

**Andrew Cunningham**, part time director, is one of the founders and leads on all major decisions, particularly those relating to policy and property acquisitions. He also runs his own architectural services practice through Andrew Cunningham Building Design Ltd.

**Pastor Peter Cunningham**, director, one of the founders who in addition to being a pastor at Shoreline Community Church, is actively engaged in building contacts and relationships with other Christian organisations and politicians.

**Vicki Woodley**, one of the founders, is currently responsible for maintaining records of loan stock investors. She also maintains relationships with investors, handling enquiries from existing and potential investors and is in the process of handing over to Louise Marcus.

**Rory Paget-Wilkes**, part time director, leads the Partner Liaison team responsible for finding and engaging new 'partners', i.e. lessees of GP properties which support and mentor tenants. The team also works to interest new investors in GP's loan stock.

**Simon Westmacott**, part time director, is a Chartered Accountant responsible for financial and legal matters. He oversees the Accounts Department as well as being involved in strategic financial decisions, relationships with auditors and third party agreements.

**Five non-executive directors** are invited to board meetings every six months. They are also invited to decide on any matters where there is a potential conflict of interest with executive board members and on any major decisions.

**Barry Moore** is Accounts Manager, an accomplished Sage operator and responsible for maintaining accounting records.

**Louise Marcus**, Accounts Assistant, is taking over loan stock administration and involved in the transition to using a new software service to handle loan stock records in addition to assisting with accounting.

#### 9 Taxation

As an exempt charity, Green Pastures CBS Limited is exempt from tax on income and gains falling within section 505 of that Taxes Act 1988 or section 256 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects under HMRC reference XT27103. CBS has a trading subsidiary which is chargeable to tax to the extent that it has not gifted its taxable profits to CBS. No tax charges are anticipated in respect of the current year.



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**10 Consolidated Tangible fixed assets**

	<b>Fixtures, fittings and equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 1 April 2016	12,146	9,560	21,706
Additions	<u>529</u>	<u>-</u>	<u>529</u>
At 31 March 2017	<u>12,675</u>	<u>9,560</u>	<u>22,235</u>
<b>Depreciation</b>			
At 1 April 2016	7,127	4,312	11,439
Charge for the period	<u>1,387</u>	<u>1,312</u>	<u>2,699</u>
At 31 March 2017	<u>8,514</u>	<u>5,624</u>	<u>14,138</u>
<b>Net book value</b>			
At 1 April 2016	<u>5,019</u>	<u>5,248</u>	<u>10,267</u>
At 31 March 2017	<u>4,161</u>	<u>3,936</u>	<u>8,097</u>

**Charity tangible fixed assets**

	<b>Fixtures, fittings and equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 1 April 2016	18,502	9,560	28,062
Additions	<u>529</u>	<u>-</u>	<u>529</u>
At 31 March 2017	<u>19,031</u>	<u>9,560</u>	<u>28,591</u>
<b>Depreciation</b>			
At 1 April 2016	12,101	4,312	16,413
Charge for the period	<u>1,732</u>	<u>1,312</u>	<u>3,044</u>
At 31 March 2017	<u>13,833</u>	<u>5,624</u>	<u>19,457</u>
<b>Net book value</b>			
At 1 April 2016	<u>6,401</u>	<u>5,248</u>	<u>11,649</u>
At 31 March 2017	<u>5,198</u>	<u>3,936</u>	<u>9,134</u>

**11 Consolidated Investment Properties**

	Land and buildings £	Land held for developing £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	20,699,096	784,779	21,483,875
Additions	3,352,924	41,109	3,394,033
Disposals	(57,500)	(94,778)	(152,278)
Revaluation	<u>133,714</u>	<u>(41,110)</u>	<u>92,604</u>
At 31 March 2017	<u>24,128,234</u>	<u>690,000</u>	<u>24,818,234</u>
<b>Comparable historical cost for the land and buildings included at valuation:</b>			
Cost	22,465,338	770,876	23,236,214
Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2017	<u>22,465,338</u>	<u>770,876</u>	<u>23,236,214</u>
<b>Property Revaluations Reserves</b>	<u><b>1,662,896</b></u>	<u><b>(80,876)</b></u>	<u><b>1,582,020</b></u>

Of the total value of land and buildings at the year end, £16.4m (68%) were valued as at 31 March 2017 or earlier by independent firms of RICS qualified chartered surveyors on an open market basis, £7.7m (32%) were valued at cost during the year if not also valued by RICS firms. No depreciation is provided in respect of this land or buildings.

Land and buildings includes property at a cost of £351,368 on which the tenant has a call option for 10 years from 3 February 2016 which requires that it be shown as a finance lease; it is hereby disclosed as such.

**11 Charity Investment Properties**

	Land and buildings £	Land held for developing £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	14,039,364	784,779	14,824,143
Additions	3,022,471	41,109	3,063,580
Disposals	-	(94,778)	(94,778)
Revaluation	<u>133,714</u>	<u>(41,110)</u>	<u>92,604</u>
At 31 March 2017	<u>17,195,549</u>	<u>690,000</u>	<u>17,885,549</u>
<b>Comparable historical cost for the land and buildings included at valuation:</b>			
Cost	16,516,458	770,876	17,287,334
Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2017	<u>16,516,458</u>	<u>770,876</u>	<u>17,287,334</u>
<b>Property Revaluations Reserves</b>	<u><b>679,091</b></u>	<u><b>(80,876)</b></u>	<u><b>598,215</b></u>

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**Holdings of more than 20%**

The company held at the balance sheet date more than 20% of the share capital of the following companies:

<b>Subsidiary undertakings</b>	<b>Class</b>	<b>Shares held (%)</b>
Adoni Developments Ltd.	Ordinary	100
Green Pastures Developments Limited	Ordinary	100
Green Pastures North West Limited	Ordinary	100

During the year, Green Pastures (East Midlands) Ltd and Green Pastures (South) Ltd, both wholly owned subsidiaries, were struck off and their remaining assets and liabilities hived up the parent company.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

<b>Subsidiary undertakings</b>	<b>Principal activities</b>	<b>Capital and reserves</b>	<b>Profit/(loss) for the year</b>
		£	£
Adoni Developments Ltd	Dormant	(67)	(76)
Green Pastures Developments Limited	Property development	-	-
Green Pastures North West Limited	Housing the Homeless	832,422	155,231

Charity Fixed Asset Investments remain unchanged at £400,200 and represent investments in subsidiaries at cost.

**12 Debtors**

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	£	£	£	£
Amounts recoverable on contracts	141,750	27,492	-	-
Trade debtors	198,168	696,897	166,926	186,066
Amounts owed by group undertakings	-	-	1,570,895	723,526
Other debtors	150,292	194,649	97,303	171,514
Prepayments and accrued income	<u>26,204</u>	<u>8,221</u>	<u>17,404</u>	<u>-</u>
	<u><b>516,414</b></u>	<u><b>927,259</b></u>	<u><b>1,852,528</b></u>	<u><b>1,081,106</b></u>

**Investments**

Investments comprised short term secured loans to third parties, usually at 10% interest.

**13 Creditors: amounts falling due within one year**

	Consolidated		Charity	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	162,397	317,575	79,567	149,201
Other loans	10,642,141	8,270,686	9,554,441	6,969,906
Trade creditors	53,957	697,257	22,084	627,210
Amounts owing to group undertakings	-	-	-	828,535
Other creditors	2,459	-	2,459	-
Accruals	833,571	707,276	745,149	-
Taxes and social security costs	9,435	(1,981)	8,392	-
	<u>11,703,960</u>	<u>9,990,813</u>	<u>10,412,092</u>	<u>8,574,852</u>

Unsecured loan stock is repayable within a range of years depending upon each individual loan term. Interest payable on loan stock varies between nil and 5% per annum.

The bank loans are secured by a fixed charge on the building to which they relate.

**14 Creditors: amounts falling due after one year**

	Consolidated		Charity	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	6,277,032	3,194,994	2,678,897	1,598,908
Other creditors	11,062,310	10,074,600	11,062,310	7,988,314
Deferred tax	-	369	-	-
	<u>17,339,342</u>	<u>13,269,963</u>	<u>13,741,207</u>	<u>9,587,222</u>
<b>Analysis of loans</b>				
Total loans	28,143,880	21,857,855	23,375,215	16,706,329
Included in current liabilities	(10,804,538)	(8,588,261)	(9,634,008)	(7,119,107)
	<u>17,339,342</u>	<u>13,269,594</u>	<u>13,741,207</u>	<u>9,587,222</u>
<b>Loan maturity analysis</b>				
	2017	2016	2017	2016
	£	£	£	£
Debt due in one year or less	10,804,538	8,588,261	9,634,008	7,119,107
Two to five years	10,295,821	7,072,523	9,964,500	6,787,180
More than five years	7,043,521	6,197,071	3,776,707	2,800,043
	<u>28,143,880</u>	<u>21,857,855</u>	<u>23,375,215</u>	<u>16,706,329</u>

The bank loans are secured by a fixed charge on the building to which they relate.

**15 Financial instruments**

CBS enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans to related and other third parties. CBS has no equity investments other than in wholly-owned subsidiaries.

The following paragraphs of this Note relate to policy in relation to the impact of non-market interest rates on transactions more than one year into the future. The group presently has no assets or liabilities to which such policy would apply. All of the group's current and expected borrowings are currently at market rates and are measured at the undiscounted amount of cash payable and so constitute financial liabilities measured at fair value through profit or loss. The group has no long term financial receivables other than a finance lease at market rates.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. If the arrangements for a short term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial liability or asset is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**16 Share Capital**

	Consolidated		Charity	
	2016	2015	2016	2015
	£	£	£	£
Issued share capital	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Under CBS's Rules, shares are cancelled on the withdrawal of a Director, but the amount paid in respect thereof is retained by CBS. The shares provide the Directors with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up.

**17 Capital Commitments**

At 31 March 2017, the company had no capital commitments other than property purchases in the ordinary course of business (2016: nil).

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**18 Unrestricted Funds**

	2016 £	Incoming resources	Resources expended	Tax	Revaluation reserve	Restructure Changes	2017 £
<b>Charity</b>							
General reserves	659,126	1,763,594	(1,777,557)	-	-	-	645,163
Revaluation reserve	673,518	932,034	-	-	(75,304)	-	1,530,248
Share Capital	1,000	-	-	=	-	-	1,000
Total	<u>1,333,644</u>	<u>2,695,628</u>	<u>(1,777,557)</u>	<u>=</u>	<u>(75,304)</u>	<u>-</u>	<u>2,176,411</u>
<b>Group</b>							
General reserves	61,702	2,230,727	(2,143,262)	276	-	(13,766)	135,677
Revaluation reserve	1,991,178	-	-	-	-	133,778	2,124,956
Share Capital	1,000	-	-	=	-	-	1,000
Total	<u>2,053,880</u>	<u>2,230,727</u>	<u>(2,143,262)</u>	<u>276</u>	<u>-</u>	<u>120,012</u>	<u>2,261,633</u>

**19 Related Parties**

*Loans*

All of the loans referred to below are secured on property at a maximum loan to value ratio of 60% and carry interest at 10% unless otherwise stated.

From time to time, CBS has made advances to individuals or their companies who are, or have been, or have become clients of ACBD and/or have sold properties to CBS. Such loans have a maximum call of 6 months and constitute attractive short term investments for CBS as part of its liquidity management. During the year, CBS made net advances of £33,343 including accrued interest to such parties taking the balance at the year end to £549,770 (2016: £516,427). Details are set out in the following paragraphs.

One such borrower, Mr. Mark Sorby, received an advance in November 2013 of £285,000. During FY 2016, it transpired that Mr. Sorby had sold the security for the loan without repaying it, which should not have been possible. Pursuit of remedies by CBS's legal advisers has resulted in a repayment plan which is now in place. The Directors are of the opinion that security cover remains adequate. During the year, Mr. Sorby paid £14,000 in interest and the balance of his loan including interest and recovery costs at the balance sheet date was £356,247.

During the year, CBS advanced £371,127 to Mr. Marcel Zachariah including his related companies and they repaid £421,000. At the balance sheet date, they owed £50,127 to CBS.

During the year, CBS advanced £100,000 to Mr. Eddie Tinsley or his immediate family who also repaid £88,032. At the balance sheet date, they owed £143,395 to CBS.

During the year CBS made loan advances of £nil (2016: £nil) to CPG. Mr. Simon Hirst is a director of both CPG and GPD. During the year, CPG paid interest of £4,600 and owed £290,535 at the balance sheet date (2016: £263,761). This figure includes a principal amount of £260,000 and £30,535 of accumulated interest. It was agreed with CPG during 2015 that the interest at 10% would be rolled up into the principal amount and repayment would begin when Mr. Hirst became employed which has since occurred. There is a six month call for repayment on all funds.

On 1 April 2016, GPNW, a wholly-owned subsidiary, owed to CBS £109,871 (2015: £16,062). During the year numerous charges and payments occurred between the companies including a wages recharge by CBS of £34,087 (2016: £33,703) and £223,000 in down payments on a property purchase by CBS resulting in £268,935 (2016: £109,871) being due to CBS at the year end. On 1 April 2016, GPNW had a property loan of £614,999 from CBS which increased to £1,123,304 including accrued interest of £32,147 by the year end.

During the year CBS incurred various items of expenditure on behalf of Green Pastures Partnership, a partnership controlled by the directors of CBS. CBS also charged the partnership £29,602.06 (2016: £29,015) in relation to wages and administration costs. The balance owed by the partnership at the balance sheet date was £55,835.19 (2016: £36,134).

During the year, there were numerous transactions between CBS and GPD, a wholly owned subsidiary of CBS, including payments on its behalf. The balance owed by GPD at the balance sheet date was £178,556 (2016: £1,094), equivalent to its net asset value. GPD has concluded its development of Marks Gate and will be wound down as outstanding matters are settled.

*Property Transfer*

During the year CBS received a transfer of properties from GPS valued at £nil (2016: £1,135,000).



**19 Related Parties (continued)**

*Commercial Contracts*

As previously reported, ACBD was entitled to a success fee of £10,000 in respect of land to the rear of Southport Road which was paid, including VAT and expenses of £2,058, in November 2016.

Berkeley Foundation Limited provided assembly services pro bono to St Mark's PCC relating to the Marks Gate project over 4 years prior to 2013 in recognition of which it is entitled to a fee from GPD of £95,000. During the year, Berkeley Foundation received fees of £26,431 (2016: £3,518) in relation to this entitlement. Mr Paul Cunningham is a registered director of Berkeley Foundation Ltd., brother of Pastor Peter Cunningham and uncle of Andrew Cunningham, both directors and shareholders of CBS.

During the year, ACBD carried out works for a planning application at risk on 270 – 274 Central Drive, Blackpool. NEDs approved £1,700 fees benchmarked against other contractors and which remained to be paid at September 2017.

**20 Post balance sheet events**

There have been no material post balance sheet events that have not been referred to elsewhere in this report.