



## Mutual Societies Annual Return Form (AR30)

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

**Society name:**

Leathermarket Community Benefit Society Limited

### 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.

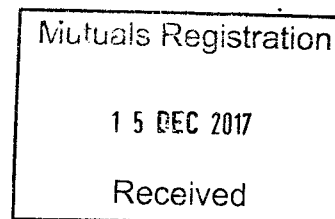
Please keep a copy of the form and supporting documents for future reference.

### 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

[mutualsanrtns@fca.org.uk](mailto:mutualsanrtns@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	32294R
Registered office address	26 Leathermarket Street London
Postcode	SE1 3HN

## 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	John Paul Maytum MBE
Address	41 Nashe House Lawson Estate
Postcode	London SE1 4ET
Year of birth	1969
Business occupation and other directorships	Occupation - Communications Lead Director of Leathermarket Joint Management Board Ltd

## 1.4 Details of Treasurer

Name	Paul Munday
Address	Church Farmhouse Blacksmiths Lane Happisburgh
Postcode	Norfolk NR12 0QY
Year of birth	1959
Business occupation and other directorships	Company director - Paul Munday Ltd Company director - Rosco (UK) Ltd Director - Estuary Housing Association Member - Worstead Church Fabric Trust Director - Leathermarket Joint Management Board



## 1.5 Details of Secretary

Name	Andy Bates
Address	5 Bayston Road
Postcode	London N16 7LU
Year of birth	1960
Business occupation and other directorships	Executive manager and company secretary of Leathermarket Joint Management Board Director - St Olave's Charity Trustee - Wenlock Barn Tenant Management Organisation

## 1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
Christine Parsons	76 Crosby Road London SE1 3PT	1960	Director - United Charities Director - Bermondsey Village Hall Director - Leathermarket Joint Management Board
Sarah Hatchard	3 Dunsterville Way Kipling Street London SE1 3RJ	1968	Occupation - Local Government Officer Director - Leathermarket Joint Management Board
Deborah Harrington	25A Trinity Street London SE1 4JA	1955	Campaign Organiser
Dr Cormac Hollingsworth			
Sean Jeanette			
Joanna Vignola			

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

one

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?**

**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?**

**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.

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.

**Continue to 2.1**



**Community benefit society**

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

The CBS area as defined by its constitution, these are residents of the JMB (Joint Management Board) area.

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

Progress with the construction of 27 new affordable homes.  
Identification of new site for potential new housing, secured funding and progressed in partnership with the local residents, the design and feasibility of a new potential affordable housing scheme for circa 40 homes.

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

Surplus is ringfenced to new build activity

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	20
B	Members ceased during year	0
C	Members admitted during year	0
D	Members at end of year	20
E	Turnover for year	3,143,872
F	Total of income and expenditure (receipts and payments added together)	3,227,377
G	Net surplus/(deficit) for year	3,060,367
H	Fixed assets	1,837,937
I	Current assets	2,415,135
J	Total assets (equal to amount in row O, below)	4,253,072
K	Current liabilities	435,453
L	Share capital	20
M	Long-term liabilities	0
N	Reserves	3,817,599
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	4,253,072

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	0

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

None

**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

None

# 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)

1 9 / 10 / 2 0 1 7


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	A BATES
Signature	
Phone number	020-7450 8000
Email	andy.bates@leathermarketjmb.org.uk
Date	30 <sup>th</sup> October 2017

FCA



Company Number: 32294R

**Leathermarket Community Benefit Society Limited**

Report of the Board and Financial Statements

Year Ended

**31 March 2017**

Mutuals Registration  
15 DEC 2017  
Received



**Registered in England & Wales**  
Dominique House 1 Church Road Netherton Dudley West Midlands DY2 0LY  
Registered as Auditors by the Association of Chartered Certified Accountants

# LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

## Society information

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### Board

John Paul Maytum MBE (Chair)  
Christine Parsons  
Andy Bates (Secretary)  
Paul Munday (Treasurer)  
Sarah Hatchard  
Deborah Harrington  
Dr Cormac Hollingsworth  
Sean Jeanette  
Joanna Vignola (Vice chair)  
Frank O'Neill (appointed April 2017)  
John Paul Lynch (appointed October 2016)

### Project officers

Jane Mephram  
Clay McKenzie (resigned July 2017)

### Registered number

32294R under the Co-operative and Community Benefit Societies Act 2014

### Registered office

26 Leathermarket Street  
London  
SE1 3HN

### Independent Auditor

GCN (Auditing) Limited  
Dominique House  
1 Church Road  
Netherton  
Dudley  
DY2 0LY

### Bankers

Lloyds Bank plc  
PO Box 72  
Bailey Drive  
Gillingham Business Park  
Kent  
ME8 0LS

### Solicitors

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

# LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

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8	Statement of financial position
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# **LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

## **Report of the Board for the year ended 31 March 2017**

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The Board are pleased to present their report and the audited financial statements for the year ended 31 March 2017.

The Board confirm that the annual report of the Society complies with current statutory requirements, the requirements of the Rules and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and reporting by charities' (FRS 102).

### **Structure, governance and management**

The Society is registered under the Co-operative and Community benefit societies Act 2014. Each individual member must hold a share of £1 each. Each board member is elected for a fixed term of office expiring at the conclusion of an annual general meeting (each a 'fixed term'). The fixed term shall be for a term of three annual general meetings unless the board has set a lower number of annual general meetings for the relevant board member on their election. No fixed term shall be set which would cause the relevant board member to serve beyond their ninth consecutive annual general meeting.

### **Objectives**

The Society is formed for the benefit of the community to operate as a community right to build body primarily in the Leathermarket area in the London Borough of Southwark (or such other area as the board may determine). Its objects shall be to carry on for the benefit of the community:

- The promotion of the social economic and environmental well-being of individuals living or wanting to live in the area;
- The business of providing and managing housing (including social housing) and providing assistance to help house people and associated facilities and amenities or services;
- The provision of workspace, buildings and/or land for use on such terms as the society shall determine;
- The provision of such other community resources, services and activities in the area of benefit as the board shall determine from time to time for the benefit of the community; and
- The provision, supply and maintenance of renewable forms of energy.

### **Achievements for the year**

We are delighted to report that the CBS is currently on site with the construction of 27 new homes, which will be let at council rents for JMB tenants who need re-housing. The homes will be completed and occupied by summer 2018. Delivering this first housing scheme was made possible by the support of Southwark Council who provided the construction funding.

This year has been another productive year for the CBS. We secured £427,000 DCLG and Southwark Council funding to progress the feasibility of another potential housing site. We are on course to submit a planning application in November 2018, which consists of a scheme of new homes at council rent levels. Our aim is to secure construction funding and start building the homes by the end of 2018.

## **LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

### **Report of the Board for the year ended 31 March 2017**

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#### **Achievements for the year (continued)**

In order to ensure a co-ordinated approach between improving our estates and increasing the number of new build affordable homes, the CBS will produce an Estate Improvement Plan. We are currently undertaking extensive consultation with the JMB residents and wider stakeholders to identify improvement priorities and opportunities to deliver new build affordable homes. This extensive consultation will both inform and shape the Estate Improvement Plan, which we aim to complete in late 2017/early 2018. £18k DCLG funding was secured by the CBS to undertake this Estate Improvement Plan.

As is clear from these achievements the board have worked extremely hard again this year, with both focus and diligence. The eight resident directors are grateful for the advice of three external co-opted directors for their expertise and advice. Other than the JMB nominee on the CBS board (funded by JMB), all of the directors are unpaid.

Robust governance policies and procedures are now in place, which aligns with Southwark Council's processes. This ensures robust due diligence and a clear separation between the CBS and JMB.

#### **CBS Client team**

The CBS recognised the need to increase the CBS client team, to ensure the right skills and expertise are in place to progress the CBS business plan. The CBS client team now consists of a Programme Director, who has extensive experience of identifying site opportunities, securing funding and delivering affordable housing programmes; and a Project Officer whose focus is to work with our residents. The CBS are in the process of appointing a Community and Communications Officer, to increase capacity of the client team in order to work with and support the community.

Strengthening the client team has been supported by CBS securing a £50k commercial capacity building funding from DCLG.

#### **CBS Board capacity building**

Formal CBS Board training is being organised for late 2017, the commercial capacity building funding (secured through DCLG) will cover the cost of this training. This will increase the skills and expertise of both existing and new board members.

## **LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

### **Report of the Board for the year ended 31 March 2017**

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#### **Financial review**

It is important to offer an explanation of the audited accounts. Although the CBS is shown as having a balance of £3,817,619 in March 2017, this amount includes £1,837,937 spent on construction costs and associated professional fees for the new homes at Kipling. Although £1,837,937 is actually an amount incurred, because the new homes will be an asset for the CBS this amount is deemed to be an 'asset under construction' and therefore is recorded as an asset in the accounts.

The accounts also make a distinction between restricted and unrestricted funds. Restricted funds are grant given by either Southwark council or the GLA and can only be spent on costs directly relating to the new homes at Kipling estates. Within the £3,817,619 balance is £3,565,230 restricted funds, which by the date of the publication of these accounts will have been spent on costs directly relating to the new homes at Kipling.

#### **Policy on remunerating key members of staff**

The only direct staffing cost was £19,666 spent on wages, national insurance and pension contribution of the CBS Project Officer.

#### **Reserves policy**

The balance of unrestricted funds is £252,369. The immediate priority of the CBS board is to continue with the feasibility and design work for the Joseph Lancaster nursery site. The medium term priority of the CBS board is to build up an emergency reserve fund of £200,000. Any unrestricted funds above this amount will be re-cycled into future projects.

#### **Risk policy**

The CBS operates a robust risk management process designed to identify, evaluate and manage risks. A project team has been employed to support the CBS in this, particularly in relation to development risk, a primary function of the CBS. The CBS can also draw on the extensive knowledge of the Leathermarket JMB in relation to asset management, under its support agreement.

Risks are categorised as internal (CBS controlled) and external (market controlled). The key steps of the CBS risk management strategy are:

1. Risk identification
2. Risk Analysis
3. Risk Allocation
4. Risk Monitoring and Action Planning

The highest ranking risks are reviewed on a regular basis, both at Board level for key business risks, and project level for development risks. Particular focus is given to establishing management strategies to reduce risk, and ensuring ownership is clear.

## LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

### Report of the Board for the year ended 31 March 2017

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The largest risk facing the CBS is the possibility of an overspend on the construction of the new homes. The CBS has a contract with its chosen contractor on a fixed price basis. This will substantially reduce the likelihood of this risk occurring.

#### **Training and induction of CBS Board**

A new board is being elected in October 2017. Structured training is planned for existing and new board members.

#### **Responsibilities of the Board**

The Co-operative and Community Benefit societies Act 2014 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and its income and expenditure for that period. In preparing those financial statements the Board are required to:

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

The Board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They have general responsibility for taking reasonable steps to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

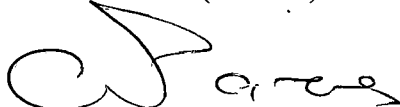
The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Auditors**

The Society's auditors GCN (Auditing) Limited have indicated their willingness to continue in office and offer themselves for re-appointment as such, under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the Board on 10<sup>th</sup> October 2017 and signed on its behalf by:

Christine Parsons (Director)



## LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

### Independent Auditors report to the Members of Leathermarket Community Benefit Society Limited

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#### *Independent auditors' report to the members of Leathermarket Community Benefit Society Limited*

We have audited the financial statements of Leathermarket Community Benefit Society Limited for the year ended 31 March 2017 which comprise the Statement of Financial Activities (including an Income and Expenditure Account), the Balance Sheet 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) included FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### *Respective responsibilities of the directors and auditors*

As explained more fully in the Management Board' report, the Management Board are responsible for the preparation of the financial statements which 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 Financial Reporting Council's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the committees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Management Committee Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### *Opinion on the financial statements*

##### **In our opinion the financial statements:**

- **Give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its income and expenditure for the year then ended;**
- **Have been properly prepared in accordance with United Kingdom generally Accepted Practice applicable to smaller entities; and with the Co-Operative and Community Benefits Societies Act 2014.**

**LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

**Independent Auditors report to the Members of  
Leathermarket Community Benefit Society Limited**

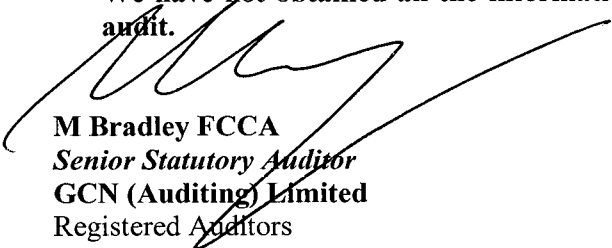
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*Independent auditors' report to the members of Leathermarket Community Benefit Society Limited*

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

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

- **The Society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions in accordance with the requirements of the legislation, returns adequate for our audit have not been received from branches not visited by us; or**
- **The revenue account, any other accounts to which our report relates and the statement of financial position are not in agreement with the Society's books of account; or**
- **We have not obtained all the information and explanations necessary for the purpose of our audit.**



**M Bradley FCCA**  
*Senior Statutory Auditor*  
**GCN (Auditing) Limited**  
Registered Auditors  
Dominique House  
1 Church Road  
Netherton  
Dudley  
DY2 0LY

6 December 2017

**LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

**Statement of Financial Activities (including an Income and Expenditure Account)  
for the ended 31 March 2017**

	Unrestricted Funds £	Restricted funds £	Year ended 31 March 2017 £	Year ended 31 March 2016 £
<b>Income from:</b>				
Leathermarket JMB funding	-	-	-	29,948
GLA	-	-	-	97,842
Southwark Council	159,575	2,983,927	3,143,502	345,917
Interest received	370	-	370	-
<b>Total income</b>	<b>159,945</b>	<b>2,983,927</b>	<b>3,143,872</b>	<b>473,707</b>
<b>Expenditure on:</b>				
Auditors' remuneration	5,040	-	5,040	8,160
Project costs and administration	25,488	-	25,488	4,512
Operating expenses	33,311	-	33,311	549
Staff costs	19,666	-	19,666	29,584
<b>Total expenditure</b>	<b>83,505</b>	<b>-</b>	<b>83,505</b>	<b>42,805</b>
Net income/(expenditure)	76,440	2,983,927	3,060,367	430,902
<b>Reconciliation of funds:</b>				
Total funds brought forward (excluding share capital)	175,929	581,303	757,232	326,330
<b>Total funds carried forward (excluding share capital)</b>	<b>252,369</b>	<b>3,565,230</b>	<b>3,817,599</b>	<b>757,232</b>

All income and expenditure derive from continuing activities.

In 2016 the GLA grant of £97,842 and Southwark Council grant of £330,917 were restricted and the funding from Leathermarket Joint Management Board (JMB) of £29,948 and the Southwark Council grant of £15,000 were unrestricted.

In 2016 restricted expenditure was £28,826, unrestricted expenditure was £13,979.

**LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

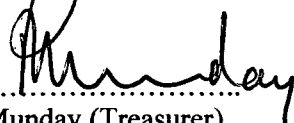
**Statement of Financial Position at 31 March 2017**


**Company registration number: 32294R**

	Note	2017		2016	
		£	£	£	£
<b>Assets under construction</b>	6		<b>1,837,937</b>		-
<b>Current assets</b>					
Debtors	7	1,575,921		457,082	
Cash at bank and in hand		839,214		371,734	
			<u>2,415,135</u>		<u>828,816</u>
<b>Creditors: amounts falling due within one year</b>	8	(435,453)		(71,564)	
<b>Net current assets</b>			<u>1,979,682</u>		<u>757,252</u>
<b>Total Assets Less Current Liabilities</b>			<u>3,817,619</u>		<u>757,252</u>
<b>Capital and reserves</b>					
Called up share capital	9		20		20
Unrestricted funds	12		252,369		175,929
Restricted funds	12		3,565,230		581,303
<b>Total society funds</b>			<u>3,817,619</u>		<u>757,252</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 10<sup>th</sup> October 2017.

  
 .....  
 JP Mayrath MBE (Chair)

  
 .....  
 P Munday (Treasurer)

  
 .....  
 A Bates



# LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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## 1 Summary of Significant Accounting Policies

### *General information and basis of preparation*

Leathermarket Community Benefit Society Limited is a registered Society under the Co-operative and Community Benefit Societies Act 2014 with exempt charitable status. The address of the registered office is given in the Society information at the beginning of these financial statements. The nature of the Society's operations and principal activity is to operate a Community Right to Build Body primarily in the Leathermarket area in the London borough of Southwark.

The Society constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by charities: Statement of Recommended Practice issued on 16 July 2014 and applicable to charities preparing their accounts in accordance with the, the Financial reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Practice as it applies from 1 January 2015. The Society has taken advantage of early adoption of the Charity SORP 2015 Update Bulletin issued on 2 February 2016.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the society and are rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### **Funds**

Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of the society and which have been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the society is legally entitled to the income and the amount can be quantified with reasonable accuracy. Performance related grants are recognised as the project delivery is confirmed.

### **Expenditure recognition**

All expenditure (including) VAT is accounted for on an accruals basis and has been classified under headings and aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment and recognised in expenditure.

# LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

## 1 Summary of Significant Accounting Policies (continued)

### Going concern

The financial statements have been prepared on a going concern basis as the Board believe that no material uncertainties exist. The Board have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern.

### Judgements and key sources of estimation uncertainty

There have been no judgments involved in the process of applying the above accounting policies (apart from those involving estimates).

## 2 Taxation

Leathermarket Community Benefit Society Limited is a registered Society under the co-operative and community Benefit Societies Act 2014 with exempt charitable status, so it not liable for corporation tax on its main activity.

## 3 Auditors remuneration

The auditors remuneration amounts to an audit fee of £2,500 plus VAT (2016 : £4,500 + VAT), accounts preparation services of £1,000 plus VAT (2016 : £1,250 plus VAT) and tax compliance services of Nil (2016 : £550 plus VAT).

## 4 Key management personnel remuneration and expenses

The Management Board and the project Officer listed at the beginning of the financial statements are considered to be the Key Management Personnel for reporting purposes. The Management Board are not remunerated. During the year remuneration totalling £9,623 was paid to the other members of Key Management Personnel (2016 : £29,075).

## 5 Staffing costs and employee benefits

	2017 £	2016 £
Wages and salaries	19,089	28,099
Social security costs	-	509
Other pension costs	577	976
	<hr/>	<hr/>
	19,666	29,584

The average monthly number of employees during the year was as follows:

	2017 £	2016 £
	1	1
	<hr/>	<hr/>

**LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

**Notes forming part of the financial statements for the year ended 31 March 2017**

**6 Assets under construction**

	2017 £	2016 £
Brought forward prepaid capital expenses transferred as building work commenced	456,911	-
Construction costs and associated professional fees incurred during the period	1,381,026	-
	<hr/>	<hr/>
<b>As at 31 March 2017</b>	<b>1,837,937</b>	<b>-</b>
	<hr/>	<hr/>

It is important to offer an explanation of the audited accounts. Although the CBS is shown as having a balance of £3,817,619 in March 2017, this amount includes £1,837,937 spent on construction costs and associated professional fees for the new homes at Kipling. Although £1,837,937 is actually an amount financed, because the new homes will be an asset for the CBS this amount is deemed to be an 'asset under construction' and therefore is recorded as an asset in the accounts.

**7 Debtors**

	2017 £	2016 £
Prepayment	-	171
Grant debtor	1,575,921	-
Prepaid capital expenses (transferred to assets under construction see note 6)	-	456,911
	<hr/>	<hr/>
	<b>1,575,921</b>	<b>457,082</b>
	<hr/>	<hr/>

The grant debtor relates to a claim made by the organisation from Southwark Council during the year to 31 March 2017 but the monies were not received until after the end of the year.

**8 Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	53,571	49,125
Other creditors	-	2,081
Accruals	381,882	20,358
	<hr/>	<hr/>
	<b>435,453</b>	<b>71,564</b>
	<hr/>	<hr/>

Accruals contain £369,703 which is included in assets under construction

# LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

## Notes forming part of the financial statements for the year ended 31 March 2017

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### 9 Share capital

	2017	2016
	£	£
Allotted, called up and fully paid 20 ordinary shares of £1 each	20	20

Shares carry a nominal value of £1 each and are not transferable, nor can they be withdrawn. They carry no right to interest, dividend or bonus and are forfeited and cancelled on cessation of membership.

### 10 Pension commitments

The Society operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension cost charge represents contributions payable by the Society to the fund and amounted to £577 (2016: £976). There were no outstanding contributions at the year end (2016 : £Nil).

### 11 Related party transactions

The majority of the board of Leathermarket (CBS) are members of Leathermarket (JMB). The JMB is one of Southwark's largest resident managed housing organisation which manages 1,500 homes on the Leathermarket estate.

During the year the JMB made an interest free loan to the CBS of £70,000 due to delays in receiving funding from Southwark council, which was repaid during the year.

During the year £Nil (2016: £29,948) was advanced to the CBS from the JMB. The advance was ratified by independent members of the JMB.

During the year JMB recharged £29,617 (2016: £2,479) to the CBS for operating costs, no balance is outstanding at the year end.

**LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2017

**12 Fund reconciliation**

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
<b>Share capital</b>					
Share capital	20	-	-	-	20
	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>
<b>Unrestricted funds</b>					
Southwark Council	3,960	159,575	(83,505)	-	80,030
General funds	171,969	370	-	-	172,339
	<u>175,929</u>	<u>159,945</u>	<u>(83,505)</u>	<u>-</u>	<u>252,369</u>
<b>Restricted funds</b>					
Greater London Authority	279,212	-	-	-	279,212
Southwark Council	302,091	2,983,927	-	-	3,286,018
	<u>581,303</u>	<u>2,983,927</u>	<u>-</u>	<u>-</u>	<u>3,565,230</u>
<b>Total</b>	<u>757,252</u>	<u>3,143,872</u>	<u>(83,505)</u>	<u>-</u>	<u>3,817,619</u>

The restricted funds relate to grant funding from the Greater London Authority and Southwark Council towards the development of the Kipling Estate. Capital costs of £1,837,937 - £279,212, £1,058 and £1,557,667 relating to the funding from the Greater London Authority, General fund and Southwark Council respectively – have been treated as assets under construction. The restricted fund of £3,286,018 from Southwark Council also includes grant funding not received at the year end date amounting to £1,497,125.

# LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2017

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## 13 Financial instruments

The carrying amounts of the Society's financial instruments are as follows:

### *Financial assets*

Debt instruments measured at amortised cost:

	2017 £	2016 £
Grant debtor	1,575,921	-

### *Financial liabilities*

Liability instruments measured at amortised cost:

	2017 £	2016 £
Trade creditors	53,571	49,125
Other creditors	-	2,081
Accruals	381,882	20,358
	<u>435,453</u>	<u>71,564</u>

In addition, the society held cash of £839,214 (2016 : £371,734) at face value.