

Annual Return (AR30) form

Society Name: Lune Valley Community Land Trust Limited

Society Num: 7719

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

2.1 What date did the financial year covered by these accounts end?

31/12/2020

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.

Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

| Name of Director | Month of Birth | Year of Birth |
|--------------------|----------------|---------------|
| Charles Ainger | Jan | 1943 |
| Paul Jarvis | May | 1989 |
| Stephen Wrigley | May | 1963 |
| Christopher Coates | Jun | 1957 |
| Rachael Hamilton | Mar | 1958 |
| Anne Lanes | Jul | 1947 |

| | | |
|------------------|-----|------|
| Mark Towers | Oct | 1967 |
| Louis Hurst | Jan | 1986 |
| Tom Hurst | Mar | 1985 |
| Luke Mills | Jan | 1970 |
| Adele-Ivy Harris | Sep | 1990 |

3.2 All directors must be 16 or older. Please confirm this is this case:

☒ All directors are aged 16 or over

3.3 Societies are within the scope of the Company Director Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

☒ No director is disqualified

3.4 Please state any close links which any of the directors has with any society, company or authority.

'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

Charles Ainger: Director of the Association of Sustainability Practitioners

Paul Jarvis: Governor of St. Wilfrid's Primary School, Halton, Lancs

Christopher Coates: Director of: Green Elephant Co-operative Ltd, Halton Senior Cohousing

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.

Societies must have a secretary

Name of Secretary

Month of Birth

Year of Birth

| | | |
|------------|-----|------|
| Jane Alder | Feb | 1960 |
|------------|-----|------|

4.1 Please confirm that:

☒ accounts are being submitted with this form

☒ the accounts comply with relevant statutory and accounting requirements

☒ the accounts are signed by two members and the secretary (3 signatures in total)

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members

33

Turnover

53904

Assets

26663

Number of Employees

0

Share Capital

165

**Highest rate of interest
paid on shares**

0

4.3 What Standard Industrial Classification code best describes the society's main business?

Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes [here](#)

SIC Code

**Other letting and operating of own or leased
real estate (68209)**

*

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- ☐ Full Professional Audit
- ☐ Auditor's report on the accounts
- ☐ Lay Audit
- ☒ No audit

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

☒ We have complied with the audit requirements

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

- ☐ Yes
- ☒ Not applicable

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

- ☒ Yes
- ☐ No

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

- ☐ Registered
- ☒ Not applicable

5.6 Is the society a housing association?

- ☒ No
- ☐ Yes

6.1 Is the society a subsidiary of another society?

- ☐ Yes
- ☒ No

6.2 Does the society have one or more subsidiaries?

(As defined in sections 100 and 101 of the Act)

- ☐ Yes
- ☒ No

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); or
- are conducting business for the benefit of the community ('community benefit society').

Your society is registered meeting the condition for registration that it is conducting its business for the benefit of the community.

For further information on the condition for registration, please see chapter 5 of our guidance [here](#).

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society?

For example, did you provide social housing, run an amateur sports club etc.

Providing social housing for the local community and managed green spaces.

7B.2 Please describe the benefits to the community the society delivered?

Here we are looking to see what the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

To aim to provide good quality, affordable homes to those most in need.

7B.3 Please describe how the society's business delivered these benefits?

The business of the society must be conducted for the benefit of the community. Please describe how the society's business (as described in answer to question 7B.1) provided benefit to the community.

The CLT has partnered with a local Housing Association in order to develop some land within the village to build affordable homes. Work is proceeding on acquiring the land, developing designs for planning permission and creating a mutually agreeable lease.

7B.4 Did the society work with a specific community, and if so, please describe it here?

For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

The CLT is based in Halton and is currently focusing on providing affordable homes for those with strong links to this community.

7B.5 What did the society do with any surplus or profit?

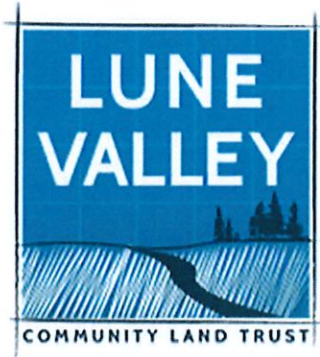
For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

The surplus generated in the year was put into reserves to be utilised on the ongoing affordable homes project in Halton post year end, as well as other potential future projects.

7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest.

Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

The CLT is partnering with South Lakes Housing Association. This partnership will be legally defined by a development lease, the overall terms of which have been agreed by the Board, as complying with the Community Led Housing aims of the CLT, for the benefit of the community.



Lune Valley Community Land Trust Limited

Annual Report and Unaudited Financial Statements

For the Year Ended

31 December 2020

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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LUNE VALLEY COMMUNITY LAND TRUST LIMITED

SOCIETY INFORMATION

| | | |
|--------------------------|---|---------------------------------------|
| Chair | Charles M Ainger | (Retired and re-elected 25 June 2020) |
| Secretary | Jane Alder | (Appointed 24 September 2020) |
| Treasurer | Paul Jarvis | (Appointed 25 June 2020) |
| Directors | Stephen J Wrigley | (Retired and re-elected 25 June 2020) |
| | Christopher B Coates | (Retired and re-elected 25 June 2020) |
| | Rachael Hamilton | |
| | Anne D Lanes | |
| | Mark Towers | (Retired 9 September 2020) |
| | Lois Hurst | |
| | Tom Hurst | (Retired 25 June 2020) |
| | Luke G D Mills | (Retired 25 June 2020) |
| | Adele-Ivy Harris | (Appointed 25 June 2020) |
| Registered office | 24 Forgebank Walk Halton Lancashire LA2 6FD | |
| Registered number | 7719 | |
| Accountants | MHA Moore and Smalley Priory Close St Mary's Gate Lancaster LA1 1XB | |

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

THE REPORT OF THE BOARD

YEAR ENDED 31 DECEMBER 2020

The Board of the Lune Valley Community Land Trust Limited ("the Trust") is pleased to present its Annual Report and Financial Statements covering the year to 31 December 2020.

Principal Activities

The purpose of the Trust is to operate a community benefit society, compatible with the definition of a Community Land Trust; and will carry out any of the following business activities, for community benefit:

- owning and renting out affordable housing.
- owning and selling on shared ownership affordable housing.
- owning or managing public open spaces for community access and use, including to maintain biodiversity.
- possibly, owning leasing or managing other local communal facilities.
- possibly, training and employing (or contracting with) local people to carry out our business.

The society intends to fund its activities in any of the following ways:

- by rental income from affordable housing units.
- by commercial mortgage loans, repaid at commercial rates.
- by housing sales.
- by loans or loan stock from members. We intend to pay interest on these only at a rate that is sufficient to attract the loans required in order to meet the objects of the Society.
- by charitable donations.
- by grants, from local government/other available sources.
- by issuing withdrawable share capital to members. We intend to pay interest on that share capital only at a rate that is sufficient to attract and retain the capital required in order to meet the objects of the Society.

The Trust intends to operate first in the Parish of Halton with Aughton, Lancashire, and also more widely in the Lune Valley Community.

The Trust will benefit the community and its members in the following ways:

- making housing at social rents available will allow the poorest to live safer lives in good quality homes; the Community Land Trust ("CLT") structure prevents these being subject to 'right to buy', so they can be available for the community in perpetuity.
- providing a range of affordable housing will allow lower paid and key public workers to stay in the community, closer to the services that need them.
- this affordable housing also contributes to the diversity, viability and flourishing of the wider community in Lancaster and the Lune Valley and contributes to the economy as a whole.
- our careful management of public open space will give the community access to landscape that nourishes and enriches them, by enabling and encouraging recreation, and engagement with nature and biodiversity.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

THE REPORT OF THE BOARD (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

- we will manage land to be a part of and enlarge, wider Lune Valley landscape, recreation and biodiversity projects, whose larger scale increases their viability and values to the larger community and public as a whole.
- by training and employing (or contracting with) local people to carry out their business the CLT aims to create employment for local people and thus grow the local economy.

Society Legal Structure

The Trust is incorporated with Limited Liability under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society. The Trust is registered as Lune Valley Community Land Trust Limited, registration number RS7719.

Commencement and recent history - a timeline

Late 2017/Early 2018

- National Community Stage 3 Grant from National CLT Network
- Registered as a Community Benefit Society with FCA

Spring 2018

- Public meeting on affordable housing (30 attendees)
- Engagement with Lancaster City Council
- Initial engagement with developers working within Halton
- Registered with HMRC

Summer 2018

- Applied and received grants from Lancaster City Council to carry-out feasibility work to provide community led housing via the two developments already underway in Halton
- Public affordable housing workshop

Autumn 2019

- Stage 1 architectural plans produced
- Lancaster City Council pre-planning advice

Winter 2018/19

- Website and marketing materials produced
- Identification of potential development partners

Spring 2019

- First Annual General Meeting
- Selection of development partner (South Lakes Housing)

Summer 2019

- Local Housing Needs Survey undertaken
- Solicitors appointed to create Option Agreement for purchase of Mill Lane site
- Solicitors appointed to draft Exclusivity Agreement, Heads of Terms and Development Lease

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

THE REPORT OF THE BOARD (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

Autumn 2019

- General meeting where the following was agreed:
 - To sign the Option Agreement for the Mill Lane site
 - To sign the Exclusivity Agreement and Heads of Terms with South Lakes Housing
- Allocation criteria for tenants

Review of the current period

The Trust's work during the period has continued to be substantially occupied with the progression of the Mill Lane Affordable Homes scheme at the Halton Mills site in Halton, Lancaster.

The following provides a continued timeline of the key actions of the Trust.

Late 2019/early 2020

- Secured Pre-Development Grant funding from Lancaster City Council in November
- Continued work with Wrigleys Solicitors on the purchase of the land
- Signed the Option Agreement in February, securing first option to buy the land
- held a drop-in session to seek members' opinions on alternative site layouts

Spring 2020

- Continued work with Trowers & Hamlins on the detail of the lease
- In March we signed the Exclusivity Agreement, including Heads of Terms, for the development lease with South Lakes Housing
- In May we ran a virtual consultation for two weeks on our draft planning submission

Summer 2020

- Held our second Annual General Meeting
- Planning submission submitted to Lancaster City Council in June, approval granted in July
- Application made to LCC for a land purchase grant, approved in July
- Conducted a local housing survey commissioned by Lancaster City Council, covering everyone in Halton with Aughton and nearby homes in surrounding parishes. The analysis confirmed a clear need for as many homes as we can get on the site.
- Confirmed we will build 20 homes - 13 for affordable rent, 7 for part ownership. They have living space of approximately 5% more than the National Standard, and are all to the full Passivhaus Standard.

Autumn 2020

- Obtained a grant from Electricity North West to fund a study into the provision of electricity to the site.
- Continued to liaise on the land purchase, lease with South Lakes Housing and the adoption of Forge Lane and Mill Lane.
- Secured planning permission in December

As well as the Mill Lane project we have explored opportunities to manage community shared spaces in Halton. We have also worked to develop a list of key local buildings to register as community assets.

We have also offered support and advice to other Community Land Trusts who are looking to undertake similar projects to ourselves.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

THE REPORT OF THE BOARD (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

Financial performance

The Pre-Development Grant funding obtained from Lancaster City Council (LCC) has covered substantially all the expenditure of the Trust in the period, with a further instalment of £43,900 received in July.

Pre-Development costs for the period total £16,905. These mainly consist of;

- solicitors' fees incurred with Wrigleys for work regarding the purchase of the land at Mill Lane
- legal fees with Trowers & Hamlins regarding the structuring of the development lease with South Lakes Housing.

The Trust also obtained a £10,000 grant from Electricity North West (ENW) in May. Costs allocated to this grant in the period totalled £9,758, consisting of consultancy and analysis for the options of energy provision to the Mill Lane site.

At the year end the Trust had total funds of £51,594, with £51,578 representing carried forward balances on the restricted LCC and ENW grants.

Plans for future periods

In March 2021 the Trust exercised the option and bought the land with the land purchase grant from Lancaster County Council. At this time the development lease with South Lakes Housing was also finalised and signed. The construction contract has also been signed and the land cleared ready for the work to commence in June.

Aims for 2021 include:

- Continuing to take an active role in the Mill Lane project as construction gets underway, including encouraging local applicants for homes.
- Supporting the adoption of Mill Lane & Forge Lane
- Continuing to explore the possibility of managing public open spaces around Halton and the wider Lune Valley area.
- Providing advice and encouragement to others, for community lead housing [CLH], and also for high energy and space standards
- Being open to more affordable homes opportunities when sites are available and encouraging the CLH approach.
- Formally registering a list of local buildings as community assets

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

THE REPORT OF THE BOARD (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

Statement of board responsibilities


The board is responsible for preparing accounts for each financial period which give a true and fair view of the state of affairs of the Society and of the income and expenditure of the society for that period. In preparing the financial statements, the Board is required to:


- Select suitable accounting policies and apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare the financial statements on a going concern basis

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the accounts comply with the Co-operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Report of the Board was approved by the Board on 24 June 2021 and was signed on its behalf by:


.....
Charles M Alder
Director


.....
P Jarvis
Director


.....
Jane Alder
Secretary

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF LUNE VALLEY COMMUNITY LAND TRUST LIMITED

YEAR ENDED 31 DECEMBER 2020

We report on the unaudited accounts for the year ended 31 December 2020 set out on pages 9 to 17.

Respective responsibilities of the committee of management and the independent reporting accountant

The society's committee of management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for year ended 31 December 2020 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 December 2020 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.



MHA Moore and Smalley
Reporting Accountants
Statutory Auditor

Priory Close
St Mary's Gate
Lancaster
LA1 1XB

1/7/2021

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

INCOME AND EXPENDITURE ACCOUNT

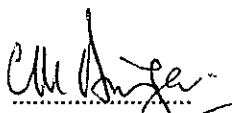
YEAR ENDED 31 DECEMBER 2020

| | | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|------------------------------------|---|----------------------------|--------------------------|--------------------|--------------------|
| Income | 3 | 4 | 53,900 | 53,904 | 62,422 |
| Expenditure | 4 | - | (26,663) | (26,663) | (38,069) |
| Surplus from activities before tax | | 4 | 27,237 | 27,241 | 24,353 |
| Tax | | - | - | - | - |
| Surplus for the financial period | | 4 | 27,237 | 27,241 | 24,353 |

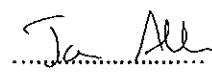
All of the activities of the Society are classed as continuing.

The Society has no recognised gains or losses other than the results for the period as set out above.

These accounts were approved by the Board and authorised for issue on 24 June 2021 and are signed on their behalf by:


.....
Charles M Ainger
Director


.....
P Jarvis
Director


.....
Jane Alder
Secretary

The notes on pages 12 to 18 form part of these financial statements.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

BALANCE SHEET

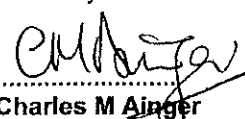
AS AT 31 DECEMBER 2020

| | | 2020 | | 2019 | |
|---|---|---------------|---|---------------|---|
| | | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 6 | 510 | | 550 | |
| Cash at bank and in hand | | 71,234 | | 36,989 | |
| | | <u>71,744</u> | | <u>37,539</u> | |
| Creditors: amounts falling due within one year | 7 | (19,985) | | (13,051) | |
| | | <u></u> | | <u></u> | |
| Net current assets | | <u>51,759</u> | | <u>24,488</u> | |
| Total assets less current liabilities | | <u>51,759</u> | | <u>24,488</u> | |
| Total net assets | | <u>51,759</u> | | <u>24,488</u> | |
| Capital and reserves: | | | | | |
| Share capital | 8 | 165 | | 135 | |
| Unrestricted funds | 9 | 16 | | 12 | |
| Restricted funds | 9 | 51,578 | | 24,341 | |
| | | <u>51,759</u> | | <u>24,488</u> | |
| Total funds | 9 | <u>51,759</u> | | <u>24,488</u> | |

For the year ending 31 December 2020 the society was entitled to disapply the requirement to have its financial statements for the financial period audited. The members passed a resolution in a general meeting to disapply the audit requirement, as required by S84(2) Co-operative and Community Benefit Societies Act 2014.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

These accounts were approved by the Board and authorised for issue on 24 June 2021, and are signed on their behalf by:


Charles M Ainger
 Director


P Jarvis
 Director


Jane Allder
 Secretary

Registered Society Number: 7719

The notes on pages 12 to 18 form part of these financial statements.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

| | Called-up capital £ | Income and share expenditure reserve £ | 2020 Total £ |
|---------------------------|---------------------------|---|--------------------|
| At 8 February 2018 | - | - | - |
| Net income for the period | - | 24,353 | 24,353 |
| Share capital issued | 135 | - | 135 |
| At 1 January 2020 | 135 | 24,353 | 24,488 |
| Net income for the period | - | 27,241 | 27,241 |
| | 135 | 51,594 | 51,729 |
| Share capital issued | 30 | - | 30 |
| At 31 December 2020 | 165 | 51,594 | 51,759 |

The notes on pages 12 to 18 form part of these financial statements.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

The Trust is incorporated with Limited Liability under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society. The Trust is registered as Lune Valley Community Land Trust Limited, registration number RS7719.

Basis of accounting

The Financial Statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 '*The Financial Reporting Standard Applicable in the UK and Republic of Ireland*' (FRS102) Section 1A for Small Entities. The Financial Statements are also prepared under the requirements of the Co-operate and Community Benefit Societies Act 2014. The Financial Statements have been prepared on a going concern basis under the historical cost convention.

The Society is considered to be a public benefit entity.

The significant accounting policies applied in the preparation of these Financial Statements are set out below.

Going concern

Before the balance sheet date and the approval of the accounts, there has been an escalation of measures taken within society to combat the Covid-19 pandemic. The directors consider the Society to have a sufficient level of working capital to see it through the upcoming months and therefore it remains wholly solvent at this time.

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

Income

Income from grant funding is recognised when the Society is entitled to the funding which is usually on receipt of the funds from the funder.

Bank interest is recognised on receipt.

Expenditure

Expenditure is recognised on the accruals basis when the Society has an obligation to settle amounts to third parties. Amounts are recorded gross of VAT as the Society is not VAT registered.

Debtors and Creditors

Debtors and Creditors receivable or payable within one year are recorded at transaction price. Any losses arising from impairment of these balances would be recognised in the Income and Expenditure Account.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each Balance Sheet date. If such indication did exist, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Income and Expenditure Account.

Cash and cash equivalents

Cash balances are deposits held on call with banks and cash in hand balances.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Share Capital

Each member of the Society is required to hold a minimum of 5 ordinary £1 shares in the Society. Under the Society rules, if a member ceases to be a member of the Trust their share is returned to them.

Reserves

The Society has received grant funding during the year which is restricted in its use. Such funds are presented as restricted in the financial statements, with associated expenditure allocated against these funds. Where funds are unspent, they are carried forward to subsequent financial periods in accordance with the terms of that grant funding. All other funds are presented as unrestricted, however all the profits of the Society shall be applied solely to the promotion of the Objects and do not belong to the members.

Pursuant to regulations made under section 1 of the Co-operatives and Community Benefit Societies Act 2014 all of the society's assets are subject to a restriction on their use.

Financial instruments

The Society has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. It has no instruments that fall under Section 12 'Other Financial Instruments Issues'. Financial instruments are recognised in the Society's balance sheet when the Society becomes party to contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Financial assets are assessed for indicators of impairment at each reporting end date. If an asset is impaired, the impairment loss is recognised in the income and expenditure account.

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

Classification of financial liabilities

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

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Taxation

The Society is exempt from Corporation Tax as a mutual benefit society.

External scrutiny of accounts

The members have opted to disapply section 83 of the Co-operative and Community Benefit Societies Act 2014 as prescribed in Section 84 and therefore these accounts are unaudited. The members have determined that an accounting report on its account and balance sheet for the period is appropriate, in accordance with section 85 of the Act as future period are expected to exceed £90,000 of income.

2 Employees

The Trust had no employees in the period.

3 Analysis of income

| | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| CLT Network Community Grant | - | - | - | 4,000 |
| LCC Community Led Housing Grant | - | - | - | 21,660 |
| LCC Pre Development Grant | - | 43,900 | 43,900 | 36,750 |
| Electricity North West Grant | - | 10,000 | 10,000 | - |
| Bank interest | 4 | - | 4 | 12 |
| | 4 | 53,900 | 53,904 | 62,422 |

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4 Analysis of expenditure

| | Unrestricted funds £ | Restricted funds £ | Total 2020 £ | Total 2019 £ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Consultancy | - | 10,435 | 10,435 | 9,681 |
| Room Hire | - | 68 | 68 | 438 |
| Marketing and Promotion | - | 126 | 126 | 1,834 |
| Subscriptions and Memberships | - | 495 | 495 | 935 |
| Registration Costs | - | - | - | 720 |
| Legal and professional fees | - | 13,887 | 13,887 | 22,452 |
| Accountancy | - | 1,140 | 1,140 | 1,500 |
| Sundry costs | - | 85 | 85 | 123 |
| Bank charges | - | 76 | 76 | 88 |
| Insurance | - | 351 | 351 | 158 |
| Travel | - | - | - | 140 |
| | - | 26,663 | 26,663 | 38,069 |

5 Director remuneration

Directors received no remuneration for their role as Trustees during the current period. Directors did receive reimbursed expenditure for costs incurred privately for the Society only.

6 Debtors

| | 2020 £ | 2019 £ |
|---------------|-----------|-----------|
| Other debtors | 50 | - |
| Prepayments | 460 | 550 |
| | 510 | 550 |

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

7 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|-----------------|---------------|---------------|
| Trade creditors | 10,930 | 3,000 |
| Accruals | 9,055 | 10,051 |
| | 19,985 | 13,051 |

8 Share capital

| | 2020 Number | 2019 Number | 2020 £ | 2019 £ |
|---------------------------------|----------------|----------------|------------|------------|
| Allotted and called up: | | | | |
| Ordinary shares of £1 each | 165 | 135 | 165 | 135 |
| Reconciliation: | | | | |
| Ordinary shares brought forward | 135 | - | 135 | - |
| Ordinary shares issued at par | 30 | 135 | 30 | 135 |
| | 165 | 135 | 165 | 135 |

During the period the Society issued 30 Ordinary Shares to its members. As detailed in the accounting policies, the shares of the Society have the nominal value of £1 each and these may only be transferred or withdrawn in accordance with the Society rules. The Society operates a rule that each member must have at least 5 shares in the Society.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

9 Reserves

| | At 1 January 2020 £ | Income £ | Expenditure £ | Transfers £ | At 31 December 2020 £ |
|---------------------------------|------------------------------|---------------|------------------|----------------|--------------------------------|
| Total unrestricted funds | 12 | 4 | - | - | 16 |
| Restricted funds | | | | | |
| LCC Community Led Housing Grant | 3,911 | - | - | - | 3,911 |
| LCC Pre Development Grant | 20,430 | 43,900 | (16,905) | - | 47,425 |
| Electricity North West Grant | - | 10,000 | (9,758) | - | 242 |
| Total restricted funds | 24,341 | 53,900 | (26,663) | - | 51,578 |
| Total funds | 24,353 | 53,904 | (26,663) | - | 51,594 |

Restricted funds are set aside by the Trustees for the following purposes:

LCC Community Led Housing Grant: funds for the feasibility study costs and consultation works of the project of development of 20 homes at the site off Mill Lane/Forge Lane, Halton.

LCC Pre Development Grant: funds for the self-development of 20 homes at the site off Mill Lane/Forge Lane, Halton.

Electricity North West Grant: funds for the connection of 40 'all electric homes' and one community building to an existing renewable micro grid owned and operated by Lancaster Co-Housing.

LUNE VALLEY COMMUNITY LAND TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

10 Reserves (prior year)

| | At 8 February 2018 £ | Income £ | Expenditure £ | Transfers £ | At 31 December 2019 £ |
|---------------------------------|-------------------------------|---------------|------------------|----------------|--------------------------------|
| Total unrestricted funds | - | 12 | - | - | 12 |
| Restricted funds | | | | | |
| CLT Network Community Grant | - | 4,000 | (4,000) | - | - |
| LCC Community Led Housing Grant | - | 21,660 | (17,749) | - | 3,911 |
| LCC Pre Development Grant | - | 36,750 | (16,320) | - | 20,430 |
| Total restricted funds | - | 62,410 | (38,069) | - | 24,341 |
| Total funds | - | 62,422 | (38,069) | - | 24,353 |

Restricted funds are set aside by the Trustees for the following purposes:

CLT Network Community Grant funds for set up costs and technical assistance.

LCC Pre Development Grant: funds for the self-development of 20 homes at the site off Mill Lane/Forge Lane, Halton.

LCC Community Led Housing Grant: funds for the feasibility study costs and consultation works of the project of development of 20 homes at the site off Mill Lane/Forge Lane, Halton.

11 Related party transactions

There were no transactions with any related party in the financial period, except for the reimbursed expenditure detailed in note 5 to the accounts. The directors of the Society are also members and have subscribed to ordinary share capital.

12 Contingent liabilities

The grant funding received by the Society is restricted for the project being undertaken. In the event that the expenditure is not entirely made on the project within a specified time frame, the amounts may be repayable to the original funder. The directors expect that all balances will be fully spent and as such there is no liability for these amounts recognised in the financial statements.