

Annual Return (AR30) form

Section 1 – About this form

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) or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1969). 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

<https://mutuals.fca.org.uk>.

For guidance on our registration function for societies under the Co-operative and Community Benefit Societies Act 2014, which includes guidance on the requirement to submit an Annual Return, please see here:

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

Section 2 – About this application

Society name	Green Pastures CBS Ltd.
Register number	IP31116R
Registered address	9 Mornington Road, Southport PR9 0TS
Postcode	PR9 0TS

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

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Section 3 – People

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 and year of birth	
Pastor Peter Cunningham	April	1942
Andrew Cunningham	January	1974
Rory Paget-Wilkes	November	1977
Simon Westmacott	October	1944
Robert Sturgess-Durden	October	1968
Francis Goodwin	May	1952
Ernest Hibbert	October	1946
Alison Gelder	March	1957
David Smith	November	1949

Continue on to a separate sheet if necessary.

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 Directors 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.

Ignoring directorships of subsidiaries, Andrew Cunningham is a director and, with his wife, controlling shareholder of Andrew Cunningham Building Design Ltd. which from time to time does work for the company or those associated with it. The non-executive directors, Sturgess-Durden, Goodwin, Hibbert, Gelder and Smith, have various roles with other organisations.

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 and year of birth	
Simon Westmacott	October	1944

Section 4 – Financial information

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 i.e. shareholders	3
Turnover	5,653,702
Assets	51,390,305
Number of employees (if any)	45
Share capital	1,000
Highest rate of interest paid on shares (if any)	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: <http://resources.companieshouse.gov.uk/sic/>

68209

Section 5 – Audit

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 | <input checked="" type="checkbox"/> |
| Auditor's report on the accounts | <input type="checkbox"/> |
| Lay audit | <input type="checkbox"/> |
| No audit | <input type="checkbox"/> |

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 ☒ Accounts include audit report

The information below impacts the level of audit required of the society's accounts. Please provide answers to the following questions.

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.

Not applicable ☒

OSCR number:	
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5.6 Is the society a housing association?

No ☒ Go to **section 6**

Yes ☐ Go to question **5.7**

5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:

		Registration number
Homes and Communities Agency	<input type="checkbox"/>	
Scottish Housing Regulator	<input type="checkbox"/>	
The Welsh Ministers	<input type="checkbox"/>	
Department for Communities (Northern Ireland)	<input type="checkbox"/>	

Section 6 – Subsidiaries

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 ☒ Continue to question 6.3

No ☐ Continue to Section 7

6.3 If the society has subsidiaries, please provide the names of them below (or attach an additional sheet)

Registration Number	Name
04523510	Green Pastures North West Ltd.
08357312	Green Pastures Developments Ltd
09044657	Adoni Developments Ltd
12364626	Hoyles Lane Developments Ltd

6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions: (the society must have written authority from us to exclude a subsidiary from group accounts)

Registration Number	Name	Reason for exclusion

Section 7– Condition for registration

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').

A society must answer the questions set out in either Section 7A or Section 7B of this form, depending on which condition of registration it meets.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance:

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

Section 7A - Co-operative societies

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

7A.1 What is the business of the society? For example, did you provide housing, manufacture goods, develop IT systems etc.

7A.2 Please describe the members' common economic, social and cultural needs and aspirations. In answering this question, please make sure it is clear what needs and aspirations members had in common.

7A.3 How did the society's business meet those needs and aspirations?

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

7A.4 How did members democratically control the society? For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

7A.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?

Section 7B - Community benefit societies

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.

The primary purpose of the society is to provide housing for the homeless usually by buying property and letting to other Christian charities which let to, mentor and support previously homeless people. It also lets directly to, and pastorally supports, more than 300 tenants.

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.

The society provides homes and beds for people otherwise homeless, either directly or indirectly via "Partners" who lease property from the society. Homeless people are therefore given a home rather than sleeping rough.

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.

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.

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.

No. Homeless people have been accommodated in numerous locations around the country regardless of any physical characteristics or religion. We estimate about 10% are migrants.

7B.5 What did the society do with any surplus or profit? For instance, did you donate the money; did money get reinvested in the business; put into reserves; used for some other purpose?


All CBS assets are asset-locked, meaning they cannot be sold and the proceeds distributed outside the company. All profits are retained within the company except for small outward donations. Any surplus generated by subsidiary companies was utilised towards the core purpose.

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.

Andrew Cunningham is a director and, with his wife, controlling shareholder in Andrew Cunningham Building Design Ltd. which from time to time may carry out work for the company, its subsidiaries or those with business relationships with it. Such work is invariably carried out at advantageous rates. Material amounts are approved by Non-Executive Directors in advance.

Section 8– Declaration

The secretary of the society must complete this section.

Name	Simon Westmacott
My signature below confirms that the information in this form is accurate to the best of my knowledge	
Signature	
Position	<i>Director & Secretary</i>
Date	<i>28 Oct 2020</i>

Section 9 – Submitting this form

Please submit a signed, scanned version of this form along with your accounts and any auditor's report by email to: mutualsanmrtns@fca.org.uk.

Or you can post the form to:

Mutual Societies
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

This form is available on the Mutuals Society Portal:

<https://societyportal.fca.org.uk>

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 2020

GREEN PASTURES CBS LIMITED

ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2020

Directors	Pastor Pete Cunningham Andrew Cunningham Rory Paget-Wilkes Simon Westmacott Francis Goodwin Ernest Hibbert Alison Gelder David Smith Robert Sturgess-Durden (appointed 30 May 2019)
Secretary	Simon Westmacott
Charity Number	XT27103
Company Number	IP31116R
Registered Office	9 Morningson Road Southport PR9 0TS
Administration Office	28 Union Street Southport PR9 0QE
Independent Auditors	Mazars LLP Chartered Accountants and Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton SM1 4FS

GREEN PASTURES CBS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2020

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GREEN PASTURES CBS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors submit the statutory report and consolidated financial statements of Green Pastures CBS Limited (CBS) for the year ended 31 March 2020.

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 Pete Cunningham
Andrew Cunningham
Rory Paget-Wilkes
Simon Westmacott

Non-executive directors (NEDs):

Francis Goodwin
Ernest Hibbert
Alison Gelder
David Smith
Robert Sturgess-Durden (appointed 30 May 2019)

Directors' interests

The executive directors' interests in the issued share capital of CBS were as stated below:

	Ordinary shares of £1 each	
	2020	2019
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.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

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 77 beds in 2020 compared with 92 the previous year. The target for the current year is to add 170 beds gross; by 1 August, GP had added a net 93 beds during the previous 12 months including those awaiting legal completion. CBS funds its activities through mortgages, bank finance, personal loans and the issue of unsecured loan stock paying up to 4% or 5% depending on the term and the lender's choice.

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.

Our NEDs are unpaid apart from expenses and we hugely value their counsel and wisdom in providing a relatively detached view of our activities.

Recruitment, appointment, induction and training of new trustees

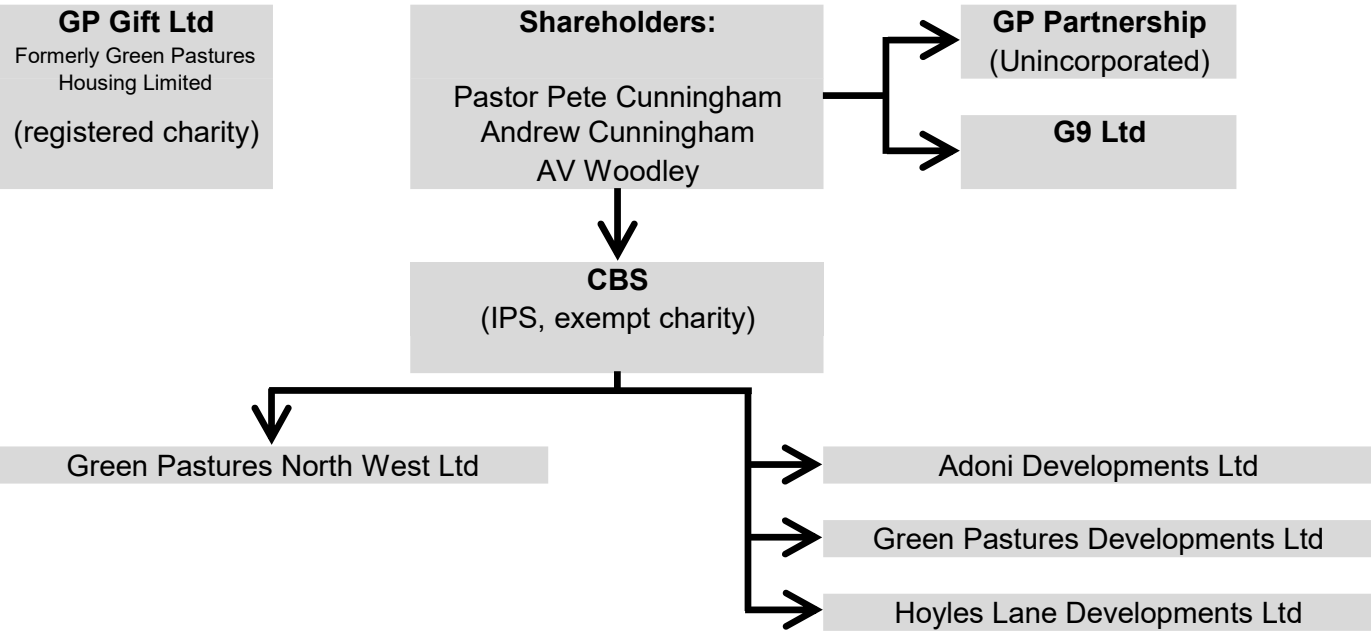
The current trustees review this process and appoint those persons who are deemed suitable. An induction process is provided to new directors to ensure that they are aware of their responsibilities and understand the work of the charity. Ongoing training is provided for existing trustees as and when required.

Key staff retention remains a priority.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Group structure

The CBS group consists of the parent company, CBS, and four 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. G9 Limited has been incorporated to take over some of that business of the Partnership:



The objectives of all the separate entities shown above mirror those of the charitable group, except for Adoni Developments Ltd (Adoni), Green Pastures Developments Ltd (GPD) and Hoyles Lane Developments Ltd (HLD) which are involved in property development with the objective of supporting the activities of CBS.

GP Gift Ltd (formerly Green Pastures Housing Ltd) 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. G9 Limited has been incorporated to carry out similar activities.

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.

GREEN PASTURES CBS LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2020

Public benefit (continued)

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 one or more tenants and an appropriate home which CBS will buy, subject to due diligence. The partner sublets to the homeless person(s) 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.

In the early days, we let property directly to homeless people and this is still the model in the local Southport area where we house more than 360 people. We are currently working on another direct-let project in Liverpool where we have our own people on the ground rather than work through partners. Further information is given under review of the year.

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. One partner provides accommodation and support for addicted mothers with children enabling children to stay with their mothers rather than be put into care. 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. 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.

We have been in discussion with the Ministry of Justice which is keen for Green Pastures to extend its ex-offenders programme in the north west. Such programmes have been shown to reduce re-offending rates by several tens of percentage points.

The annual partner conference is a great resource for partners to share experience and ideas, which results in greater impact. This year, 2020, we had planned to combine it with an investors' conference but have had to postpone it until 2021 because of corona virus.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Corona virus

The impact of Covid-19 on GP's operations has been remarkably slight, except for the handful of people who contracted it and those whom we furloughed who were mostly maintenance crews. We updated our loan stock investors shortly after lockdown explaining that our magnificent staff had done their utmost to keep operations running as normally as possible. One member of the finance team had the new server installed in her home whilst others worked almost as usual from home. Our investors replied with many encouraging messages and even increased their investments. All but a small amount of our rental income ultimately derives from the state so unless that source is compromised, we see the income risk as low.

After a brief pause at the beginning of lockdown, we continued to buy properties as our partners worked around Covid restrictions and continued to house more homeless people. We also continued to provide remote pastoral support to our direct tenants and our partner lessees for the most part also quickly adapted. On the administrative front, we have been holding board and other meetings using WhatsApp and Zoom. This is likely to continue for many of our meetings because of the convenience factor and avoidance of travel.

Review of the year

The year to 31 March 2020 showed a gross increase of 82 new bed spaces against a target of 125. Net bed spaces increased by 77 compared with 92 the previous year but we did have 48 beds in the pipeline compared with 12 the previous year. During the year, we spent £4.1m on additional properties and sold three properties, including our site at Southport Road, realising a net gain of £184,456. At the year end, our pipeline stood at £1.8m consisting of 48 bed spaces. The total number of bed spaces is updated on our web site; on 20 August 2020, the total stood at 1,138.

Notable during the year was the opening of Hartington House in Derby, a former council-owned hostel with 28 bed spaces for residents and another four for staff. We bought this and converted it into 28 homes for ex-offenders. Our first resident arrived in November and by year-end we had 18. Inevitably, this incurred front-end costs; now fully occupied, we expect a positive contribution.

In 2018, we started a programme of direct investment in the Merseyside area, particularly Liverpool, whereby GP bought properties and collected rents while pastoral support was provided by local churches and others. During the 18 months ended 31 March 2020, we had bought 21 bed spaces under the programme and are expanding it. Staffing costs have been covered by external funding.

We would not have come this far without the support, trust and faith in what we do from our stakeholders. The rewards have been plentiful in terms of the impact both on our tenants and the numerous 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 communities. 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.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Review of the year (continued)

During the year, we added one person to our partner liaison team and have added two since so that we continue to achieve growth by extending the network of church partners including handling prospective partner enquiries. We aim to bring 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, speaking engagements and newsletter releases enabling the wider Christian community to partner and invest with us. We continue to develop links with government ministers and departments and other charitable organisations. Current discussions with the Ministry of Justice involve the possible housing of ex-offenders. Our public relations work includes the development of our website, development of Twitter which attracts nearly 5,000 followers and YouTube videos.

In summarising our operational achievements this year, Green Pastures has continued to improve its multiple bottom lines. As before, 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. As in past years, 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. Last year, we were in discussion with a Christian developer to operate entirely on a profit share basis to develop our plot on Southport Road. Subsequently, a buyer emerged at a satisfactory price and we have since completed sale of the plot. Information on our developments is given below under a separate heading.

Financial performance

A key concern for many businesses currently is whether they can continue as a going concern. As already mentioned under the corona virus section, we see the risk to our income as low. Our outgoings are relatively stable and if necessary, we can always scale back our property purchases to conserve cash flow. Our operations have largely been unaffected and we consider ourselves fortunate to be in the position we are. Loan stock investors have continued to support us and we continue to buy bed spaces and develop property on a cautious basis. Property values have held up in the current climate so our balance sheet has not been compromised.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Financial performance (continued)

The results for the year and the state of the charitable group's affairs as at 31 March 2020 are set out in the financial statements on pages 19 to 38. On a stand-alone basis, CBS's operating result ("net income") was a profit of £91k, down from £132k in 2019 whilst on a consolidated basis, CBS achieved a surplus before revaluation movements of £149k after tax provisions in subsidiaries of £3k. This compared with £292k for 2019.

These figures should be taken in the context of the group results including £50k of overheads in Adoni Developments and Hoyles Lane Developments which we expect to recover in due course; Hartington House which generated a loss of £115k including £100k for payroll and an increase in other overall payroll costs of £209k largely due to new hires. We also incurred a painful increase in bad debts of £85k. We had to staff up Hartington House and make it habitable before the first resident arrived in November; by year end, we had 18 residents out of a capacity of 28. This programme was hindered by our facility manager contracting corona virus rather badly, from which we are delighted he has since recovered. We expect this facility to show a surplus once it is fully occupied, as it was by mid-October.

CBS has continued its growth programme by investing more than £188k during the year, referred to in the Review of the Year, in business development including maintaining and growing our partner portfolio. 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. We are also continuing to invest heavily on new I.T. support services to handle our loan stock, CRM and property portfolio. These services will be scalable and should set us up well for the future.

As noted elsewhere, the directors' policy is to distribute 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 2021 to show a material increase in group equity and available cash.

Stand-alone net current assets improved to £2.8m from £(183k) largely due to an increase in cash of £4.6m caused by delays in property purchases and repayments of loans out. We do not expect this position to continue and 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.

On a consolidated basis, our net income of £149k tangibly contributed to our net assets as did property revaluations of £1.7million. We expect future uplifts as Hartington House becomes fully occupied and our property developments deliver anticipated results.

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.

CBS group has maintained growth overheads during this period. Loan stock intake has remained strong which, if maintained, will enable us to fund property developments as well as planned property purchases without resorting to further bank borrowing.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Financial performance (continued)

Our 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	2.2
Total	9.0
Cyclical repairs	0.8
Business growth costs	1.0

The model is flexible and the component mix varies from property to property. In fact, our operational costs are rather higher than target as we invest in new capacity and expand into direct tenancies. We expect to generate supporting income from other sources such as property development to provide a more sustainable base.

Cash management

CBS's policy is to hold liquid funds of approximately 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. However, our weighted average term for loan stock has improved from 3.6 to 4.3 years which has helped reduce our current liabilities. We so appreciate this kind of support from our investors. Further information on loan stock is given under that heading below.

Our 10% margin policy inevitably fluctuates according to the timing of property purchases, loan stock flows and short term loan flows; at the end of the year, cash plus loans out as a percentage of borrowings once again exceeded 10% partly because short term loans out reduced by some £2m. These loans are an important contributor to the expense of holding cash which attracts only a meagre deposit rate from our bankers. This year, we also need cash for the funding of the Dundonald redevelopment from September onwards which is projected to absorb a total of £5.9m by completion next April. That money is due for repayment from the proceeds of sales of flats, one of which has already attracted a buyer.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Loan stock

Investor interest in our loan stock continued to increase through the year. We are especially grateful to our investors for their outstanding response to our corona virus update after lockdown was introduced: we received several supportive emails and our inflow of investment continued to improve. Monthly figures are on our web site and reflect a net annual increase of outstanding Loan Stock of approximately £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. By 20 August 2020, our weighted average interest rate had increased to 4.37% from 4.13% as at 31 March 2019; on the other hand, the average term by 20 August had improved to 4.3 years from 3.6 over the same term. As at 31 March 2020, the balance of issued CBS loan stock stood at £31.4m and by 20 August had increased to £33.2m.

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 £9.5m. Longer term obligations stood at £21.9m.

Our financial model utilises property purchases funded mostly by loan stock and bank or mortgage loans, the latter typically accounting for approximately 30% 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. Regulatory impact has made bank loans with a committed term of more than 5 years prohibitively expensive, but we continue to benefit from maturity profiles of 25 years.

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.

Going concern

Corona virus and the associated lock down brought a new focus on its possible impact, ranging from loan stock investors ceasing to invest and wanting early redemptions to our ability to continue providing pastoral support to our direct tenants. Our staff were superb in doing all they could to work successfully at home so that we continued to function as an organisation with little material impact. Our income derives primarily from the state in the form of rents which have continued to flow. We have had no consequent defaults from our short term borrowers nor requests for interest deferral. Our handful of market-rate tenants have continued to pay their rent. The usual going concern factors therefore apply: provided the state keeps paying rents for our otherwise homeless people and our loan stock investors continue to support us, we do not envisage any difficulties. As always, if we faced a short term cash squeeze, we could call on our business angels and defer property purchases.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

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 to improve which will be used to add to the capital base thereby providing flexibility in the application of our 9% model¹ 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.

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 4.37%. As at 31 March 2019, the Bank's base rate was 0.75% which it reduced to 0.25% on 11 March 2020 and again to 0.1% on 19 March 2020. As at 30 June 2020, a rise of one quarter percentage point in interest rates would have adversely affected our current annual results by £24,232. We are not expecting imminent further rate rises.

We think a rate rise is likely at some point given the amount of government money printing as a response to Corona virus, but just when is difficult to predict. Material increases in the foreseeable future would appear to be highly unlikely given the consequent impact on the economy. The impact of Brexit on interest rates is difficult to predict: as we appear to be heading towards a minimal or no-deal exit, the anticipated impact on exchange rates may well already have been priced in. Bond investors have little alternative but to accept low rates world wide so the government may continue to be able to get gilts away at exceptionally low rates for some time yet.

Risk

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. 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. 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 carefully to assess such exposure and to limit it to levels which the group can handle. Furthermore, the flow of development opportunities cannot be predicted with certainty.

¹ Normally our minimum gross investment yield.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Risk (continued)

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 so long as government continues to pay adequate levels of housing benefit.

A no-deal Brexit now appears increasingly possible which could result in a reduction in GDP of perhaps 20% if some pundits are correct. In such a case, we may find our loan stock intake is affected. On the other hand, the age profile of our investors is higher than average which may reduce any impact. Furthermore, the commitment and support for GP from those investors we have met is hugely encouraging.

Going forward

Our strategy to maintain growth costs, develop strategic promotions and increase reserves continues to show social and financial dividend. Partner enquiries for bed provision continue to flow: in June and July this year, we signed up two new partners and completed on 10 properties providing 40 bed spaces with more in the pipeline. We are well placed with further increased capacity to provide homes and support and look forward to improving significantly on the disappointing figure of 77 net bed spaces for 2020. For the year ending 31 March 2021 we are targeting an increase of 170 beds. We are currently budgeting an average bed space cost of £35,000 although this is likely to increase and, as always, assessing how we might better expand the business. We have taken on a further two business development, or partner liaison staff, to extend our geographical coverage.

During the year, we have adopted a more cohesive staffing structure aimed at team members having more insights into the activities of other teams. This is aimed at cross fertilisation of ideas as well as appreciating the key issues which other staff face. We expect this to improve our efficiency and staff satisfaction. We are also focusing in more detail on business development to bring in more partners and investors which requires different skills from relationship maintenance and support. Coupled with the delayed loan stock system being concluded in the current year and our new property management software also concluding shortly, we are excited by our enhanced capacity and the possibilities it offers.

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. Our discussions with central government over the possibility of providing homes for migrants on a programmed basis has yet to produce any results although we estimate that around 10% of our tenants are migrants. On the other hand, we are working up a process with the Ministry of Justice to house ex-offenders in the north west.

Our direct expansion into Liverpool with operating costs raised by a third party has yielded encouraging results and we intend to explore replicating the process in other large cities.

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.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Going forward (continued)

Payroll costs have increased because of growth costs and elsewhere partly because of an expansion in administration and finance staff and partly because of pay rises. We are presently looking to recruit more financial staff for accounting and loan stock administration.

Exempt accommodation

CBS group partners continue to help their residents claim housing benefit under the regulations for Exempt Accommodation, a process in which Green Pastures provides extensive advice and guidance. This uncapped level of housing benefit includes the core landlord charge – the partner's lease payment to Green Pastures - set at the Local Market Level Rent. Setting the lease at this MLR level is often essential in meeting our 9% investment requirement. The funding of Supported Housing through the use of the Exempt Accommodation rates of Housing Benefit is currently under review. Government consultation white papers have proved inconclusive and the current funding model is likely to remain in place for at least three years. Green Pastures encourages its partners to develop healthy, open and positive relationships with their local authority to maintain the levels of income that they need, whatever the outcome of the funding review. Most residents are now on Universal Credit. Where exempt accommodation is not applicable, residents receive a housing element in with their Universal Credit. It is possible for this housing element to be paid direct to the Landlord and this has been successfully achieved with Southport's direct tenants although not without some initial difficulties.

Gifts

Green Pastures is immensely grateful for the £30,000 it received in gifts from across the country partly 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, increased significantly as a percentage of income reflecting our capacity expansion during the year and other factors already mentioned. We continue to incur 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. This system was due to be completed two years ago and is now expected to complete during the current year. We would rather take time to get it accurately to what we want it to do than cut corners. The delay has been partly because the software house changed hands and partly because our own staff have had laboriously to check all existing records.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Valuations

Increases in valuations do not improve our operational financial performance but positively improve the balance sheet. All parts of the property portfolio are subject to RICS valuations on a 5 year rolling basis so that over a period of time, all properties are professionally valued. During the year an uplift of £1.2million was recognised after a large proportion of our older stock was RICS valued and the directors have also reviewed house price index movements on the remaining properties that are due to have a RICS valuation in time and agreed on a further increase in valuation of £400k making a total revaluation increase in the year of £1.6million. In making these reviews the directors have been very mindful of the potential negative impact on house prices the continued disruption caused by COVID-19 may well have.

Developments

The core purpose of Green Pastures will not change from providing homes 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. The redevelopment of Dundonald Church in Raynes Park, south-west London will provide a purpose-build church and 18 flats above for market sale. Completion is expected in the Spring of 2021. CBS is using a special purpose vehicle, Adoni Developments Ltd, as developer and expects to fund the development for approximately £5.9m following the church's contribution of £4.6m plus the site. GP is taking the development risk in exchange for a share of the anticipated profits.

We have bought a site at Hoyles Lane, Preston, where we have invested part of a total of £2.1m to build 9 homes for market sale. Development was delayed because of Covid-19 but is now under way. On this site, the developer/contractor is taking a share of the development profit as his remuneration with no minimum fee.

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 an asset-based charity. Our policy is to expand our capital base in line with our increases in borrowing so as to maintain a reserve. Our plans to develop our Southport Road site with another party were abandoned when we received an attractive offer for the site from a developer.

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. We also refer all material transactions where there is, or might be perceived to be, a conflict of interest to the NEDs as and when necessary.

Related party transactions

Full details of related party transactions are set out in Note 20. The more noteworthy are mentioned here. Andrew Cunningham, a director of and shareholder in CBS, is also director and, with his wife, a controlling 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 as well as with CBS itself. During the year, ACBD received fees of £20,661 (2019: £nil) from CBS. Rebecca Cunningham, Andrew's wife, is also employed by CBS.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Related party transactions (continued)

Simon Hirst, who ceased to be a director of GPD on 3 October 2017, was also a director of Christian Property Group Ltd (CPG) which received in 2015 a loan of £260,000 from CBS secured against property which attracts a 10% return. CPG shared the same values as CBS and intended to create surpluses to assist homeless people. CPG was dissolved on 27 February 2018 and Simon has confirmed that he has assumed the CPG loan personally. During the 2018, Simon brought to GP the Dundonald project and worked on it at risk until later in the year. We subsequently agreed with him a professional fee of £10,000 plus a conditional introductory fee of £50,000 which we expect to settle shortly. As at 31 March, CPG owed £371,715 including accrued interest of £111,715. We are now in discussion with a view to achieving a settlement failing which the security will need to be sold to repay the loan.

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 remains 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; and
- 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.

GREEN PASTURES CBS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Disclosure of information to auditor

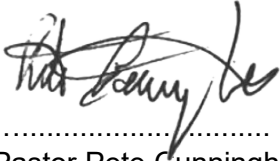
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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

Approval

This report was approved by the Directors on 28 October 2020 and signed on their behalf by:



.....
Pastor Pete Cunningham
Director

GREEN PASTURES CBS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GREEN PASTURES CBS LIMITED FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Green Pastures CBS Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charity Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2020 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

GREEN PASTURES CBS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GREEN PASTURES CBS LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2020

Other information

The board is responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the parent charity has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the Statement of the Board's responsibilities set out on page 14, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

GREEN PASTURES CBS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GREEN PASTURES CBS LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2020

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

Mazars LLP

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Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, SM1 4FS

Dated: 31 October 2020
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GREEN PASTURES CBS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
		Unrestricted funds	Total funds
	Notes	£	£
Income and endowments from:			
Donations and legacies	2	30,009	38,202
Charitable activities	3	2,991,580	2,628,677
Other trading activities	4	2,127,874	159,183
Investment income	5	483,496	453,647
Other		20,743	8,950
Total		5,653,702	3,288,659
Expenditure on:			
Raising funds		2,327,470	79,774
Charitable activities		3,406,133	2,872,443
Other		1,533	6,587
Total	6	5,735,136	2,958,804
Operating margin		(81,434)	329,855
Corporation tax credit / (charge)		3,205	(29,630)
Net gain / (loss) on disposal of investments		184,456	(51,567)
Net income		106,227	248,658
Other recognised gains		43,366	43,366
Gains on revaluation of investments		1,696,161	172,613
Net movement in funds		1,845,754	464,637
Reconciliation of funds			
Total funds at 1 April 2019		3,359,294	2,894,657
Total funds at 31 March 2020		5,205,048	3,359,294

The group has no restricted or endowment funds.
All amounts shown relate to continuing operations.
The notes on pages 23 - 38 form part of these financial statements.

GREEN PASTURES CBS LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

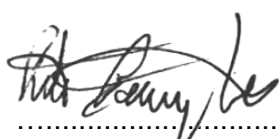
Company Registration No. IP31116R

		2020	2019
	Notes	Unrestricted funds £	Total funds £
Fixed assets:			
Negative goodwill	11.3	(216,834)	(260,200)
Equipment and vehicles	11.1	30,389	30,583
Land and buildings	11.1	39,673,734	35,792,035
Total		39,487,289	35,562,418
Current assets:			
Debtors	13	1,736,181	916,240
Investments	12.2	4,289,357	6,382,080
Cash at bank and in hand		5,877,478	1,309,340
Total		11,903,016	8,607,660
Current liabilities:			
Amounts due within one year	14	(11,872,221)	(10,981,472)
Net current assets / (liabilities)		30,795	(2,373,812)
Total assets less current liabilities		39,518,084	33,188,606
Long term liabilities:			
Amounts due after one year	15	(34,313,036)	(29,829,312)
Net assets		5,205,048	3,359,294
Capital and reserves			
Share capital	17	1,000	1,000
Unrestricted income funds	19	571,275	421,682
Revaluation reserves	19	4,632,773	2,936,612
Total funds		5,205,048	3,359,294

The notes on pages 23 - 38 form part of these financial statements.

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


The financial statements were approved by the board on 28 October 2020.



 Pastor Pete Cunningham
 Director



 Andrew Cunningham
 Director



 Simon Westmacott
 Director and secretary

CHARITY BALANCE SHEET

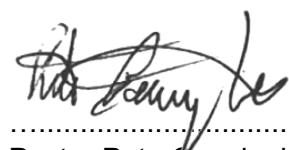
AS AT 31 MARCH 2020

	Notes	2020 Unrestricted funds £	2019 Total funds £
Fixed assets:			
Equipment and vehicles	11.2	29,952	30,000
Land and buildings	11.2	32,648,106	29,237,297
Investments	12.1	400,300	400,200
Total		33,078,358	29,667,497
Current assets:			
Debtors	13	723,420	557,145
Amounts owed by group companies		3,009,801	2,451,174
Investments	12.2	4,289,357	6,382,080
Cash at bank and in hand		5,790,698	1,234,254
Total		13,813,276	10,624,653
Current liabilities:			
Amounts due within one year	14	(10,988,438)	(10,807,511)
Net current assets / (liabilities)		2,824,838	(182,858)
Total assets less current liabilities		35,903,196	29,484,639
Long term liabilities:			
Amounts due after one year	15	(31,064,528)	(26,491,328)
Net assets		4,838,668	2,993,311
Capital and reserves			
Share capital	17	1,000	1,000
Unrestricted income funds	19	778,985	688,111
Revaluation and other reserves	19	4,058,683	2,304,200
Total funds		4,838,668	2,993,311

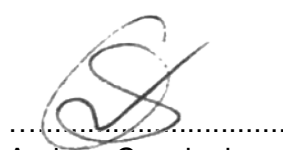
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The financial statements were approved by the board on 28 October 2020.



Pastor Pete Cunningham
Director



Andrew Cunningham
Director



Simon Westmacott
Director and secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2020

	2020 Unrestricted funds £	2019 Total funds £
Cashflows from operating activities:		
Net income	1,845,754	464,637
Adjustments for:		
Depreciation	10,130	10,194
Amortisation	(43,366)	(43,366)
Gain on investments (unrealised)	(1,696,161)	(172,613)
(Gain) / loss on investments (realised)	(184,456)	51,567
Interest income	(483,496)	(453,647)
Interest expense	1,713,105	1,441,651
Trade and other receivables	1,277,284	(3,067,628)
Trade and other payables	941,116	74,233
Cashflows generated from operations	3,379,910	(1,694,972)
Interest paid	(1,713,105)	(1,441,651)
Tax paid	(29,630)	(52,874)
Net cashflow from operating activities	1,637,175	(3,189,497)
Cashflows from investing activities		
Purchase of property and equipment	(4,123,627)	(6,017,885)
Proceeds on disposal of property and equipment	1,928,053	603,087
Interest received	483,496	453,647
	(1,712,078)	(4,961,151)
Cashflows from financing		
Capital repayments	(3,255,626)	(4,406,456)
Proceeds from new loans	7,898,667	12,135,846
	4,643,041	7,729,390
Net increase / (decrease) in cash	4,568,138	(421,258)

	At 31 March 2019	Cashflows	Non cash movements	At 31 March 2020
Cash at bank	1,309,340	4,568,138	-	5,877,478
Loans falling due within one year	(9,824,100)	38,871	-	(9,785,229)
Loans falling due after one year	(29,829,312)	(4,483,724)	-	(34,313,036)
Net cash	(38,344,072)	123,285	-	(38,220,787)

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.1 Basis of preparation

The consolidated financial statements 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 pre-fixed 'PBE' in FRS 102. As a charity, CBS is required to show restricted, unrestricted and endowment funds separately but all its funds are unrestricted.

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 financial statements consolidate the financial statements 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 financial statements have been prepared for each company of the group and are available on application to the company secretary.

1.2 Basis of consolidation (continued)

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

Parent

Green Pastures CBS Limited	- housing the homeless
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Subsidiaries (each has 100% ownership by the parent company above)

Adoni Developments Limited	- property development
Green Pastures Developments Limited	- property development
Green Pastures North West Limited	- housing the homeless
Hoyles Lane Developments Limited	- property development

1.3 Going concern

On a consolidated basis, CBS generated an operating surplus (net income) of £106,227 compared with a surplus of £248,658 after tax for 2019. The group has a number of properties which are available for sale 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 30 June 2020, a rise of a quarter of one percentage point would adversely affect GP by £24,300 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 represents 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 income 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 expense.

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.

GREEN PASTURES CBS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2020

1.4 Income (continued)

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.

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 subsidiary companies.

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 and is shown under raising funds in the SOFA.

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	- not depreciated
Freehold buildings	- 0% on cost (on the basis that routine valuations resulting in impairment are charged against revaluation reserves)
Fixtures, fittings and equipment	- 25% reducing balance basis
Motor vehicles	- 25% reducing balance basis

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

1.6 Tangible fixed assets and depreciation (continued)

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 (see also note 12.2). The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 Properties

The group buys properties to house homeless people; these are considered to be assets held to further the charitable purpose. 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 funds 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	
	2020 £	2019 £	2020 £	2019 £
Donations and gifts	<u>30,009</u>	<u>38,202</u>	<u>30,009</u>	<u>38,202</u>

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

3 Income from charitable activities

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Housing the homeless	<u>2,991,580</u>	<u>2,628,677</u>	<u>2,512,845</u>	<u>2,140,741</u>

4 Other trading activities

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Property development	<u>2,127,874</u>	<u>159,183</u>	<u>-</u>	<u>-</u>

This activity represents the property development trading turnover of Green Pastures Developments Limited, Adoni Developments Limited and Hoyles Land Developments Limited.

5 Investment income

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Interest receivable	<u>483,496</u>	<u>453,647</u>	<u>483,496</u>	<u>453,647</u>

6 Expenditure analysis

An analysis of expenditure is set out below:

	2020	2019
	£	£
Salaries	393,059	199,170
Rent and rates	25,088	24,499
Bad debts	252,100	166,953
Property maintenance	366,792	311,792
Utilities, rates and insurance	154,394	131,367
Loan interest paid	1,713,105	1,441,651
Subsidiary trading costs	2,122,683	-
Support costs (note 7)	546,154	533,894
Other costs	<u>161,761</u>	<u>149,478</u>
	<u>5,735,136</u>	<u>2,958,804</u>

GREEN PASTURES CBS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2020****7 Support costs**

	2020 £	2019 £
Governance	43,031	22,386
Management and administration	96,601	83,863
Finance and legal	218,375	244,219
Business development including lessee liaison	188,147	183,426
	<u>546,154</u>	<u>533,894</u>

Governance costs include audit fees of £23,400 (2019 - £22,800).

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 £20,294 (2019 - £14,850).

9 Employees

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

	2020 Number	2019 Number
Governance	4	4
Management and administration	<u>41</u>	<u>26</u>
	<u>45</u>	<u>30</u>

During the year A Cunningham received a gross salary of £24,000 (2019 - £19,000) for his work within CBS but not as his role as a charity trustee. His wife also received a gross salary of £26,588 (2019 - £26,496) for her work within CBS. During the year R Paget-Wilkes received a gross salary of £34,213 (2019 - £30,000) for his work within CBS but not as his role as charity trustee. During the year S Westmacott received a gross salary of £35,500 (2019 - £5,000) for work within CBS but not as a charity trustee and consultancy fees of £21,451 (2019 - £40,071) and Pastor Peter Cunningham received a gross salary of £22,755 (2019 - £22,000) for his work promoting the charity but not as a trustee.

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.

9 Employees (continued)

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 has largely completed handing over this process to Louise Marcus.

Rory Paget-Wilkes, part time director, works with the partner liaison team responsible for finding and engaging new 'partners', i.e. lessees of Green Pastures properties which support and mentor tenants. The team also works to interest new investors in Green Pastures 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, legal matters 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.

Other key staff

Barry Moore is accounts manager, an accomplished Sage and Excel 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.

10 Taxation

As an exempt charity, Green Pastures CBS Limited is exempt from tax on income and gains falling within section 505 of the 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. A corporation tax credit of £3,205 (2019 - £29,630 provision) has been recognised in respect of an overprovision in 2019 made in respect of trading profits in GPNW which cannot be relieved against losses brought forward.

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

11.1 Consolidated tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Land and buildings £	Land held for developing £	Total £
Cost or valuation					
At 1 Apr 2019	57,004	8,060	35,132,919	659,116	35,857,099
Additions	9,936	-	4,113,691	-	4,123,627
Disposals	-	-	(1,128,541)	(659,116)	(1,787,657)
Revaluations	-	-	1,555,665	-	1,555,665
At 31 Mar 2020	<u>66,940</u>	<u>8,060</u>	<u>39,673,734</u>	<u>-</u>	<u>39,748,734</u>
Depreciation					
At 1 Apr 2019	29,507	4,974	-	-	34,481
Charge for year	9,359	771	-	-	10,130
On disposals	-	-	-	-	-
At 31 Mar 2020	<u>38,866</u>	<u>5,745</u>	<u>-</u>	<u>-</u>	<u>44,611</u>
Net book value					
At 1 Apr 2019	<u>27,497</u>	<u>3,086</u>	<u>35,132,919</u>	<u>659,116</u>	<u>35,822,618</u>
At 31 Mar 2020	<u>28,074</u>	<u>2,315</u>	<u>39,673,734</u>	<u>-</u>	<u>39,704,123</u>
Comparable historical cost for the land and buildings included at valuation:					
Cost			35,699,240	-	35,699,240
Accumulated depreciation			-	-	-
At 31 Mar 2020			<u>35,699,240</u>	<u>-</u>	<u>35,699,240</u>

Of the total value of land and buildings at the year end, £23.17m (58%) were valued as at 31 March 2020 or earlier by independent firms of RICS qualified chartered surveyors on an open market basis and £16.5m (42%) were valued at cost or on a house price index movement basis by the directors. No depreciation is provided in respect of these 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 2017 which requires that it be shown as a finance lease; it is hereby disclosed as such.

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

11.2 Charity tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Land and buildings £	Land held for developing £	Total £
Cost or valuation					
At 1 Apr 2019	50,648	8,060	28,578,181	659,116	29,296,005
Additions	9,936	-	3,533,756	-	3,543,692
Disposals	-	-	(1,073,541)	(659,116)	(1,732,657)
Revaluations	-	-	1,609,710	-	1,609,710
At 31 Mar 2020	<u>60,584</u>	<u>8,060</u>	<u>32,648,106</u>	<u>-</u>	<u>32,716,750</u>
Depreciation					
At 1 Apr 2019	23,734	4,974	-	-	28,708
Charge for year	9,213	771	-	-	9,984
On disposals	-	-	-	-	-
At 31 Mar 2020	<u>32,947</u>	<u>5,745</u>	<u>-</u>	<u>-</u>	<u>38,692</u>
Net book value					
At 1 Apr 2019	<u>26,914</u>	<u>3,086</u>	<u>28,578,181</u>	<u>659,116</u>	<u>29,267,297</u>
At 31 Mar 2020	<u>27,637</u>	<u>2,315</u>	<u>32,648,106</u>	<u>-</u>	<u>32,678,058</u>
Comparable historical cost for the land and buildings included at valuation:					
Cost			29,593,335	-	29,593,335
Accumulated depreciation			-	-	-
At 31 Mar 2020			<u>29,593,335</u>	<u>-</u>	<u>29,593,335</u>

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

11.3 Negative goodwill

	2020 £
Negative goodwill arising	
At 1 April 2019 and 31 March 2020	<u>(433,664)</u>
Amortisation	
At 1 April 2019	173,464
Charge for year	<u>43,366</u>
At 31 March 2020	<u>216,830</u>
Net book value	
At 1 April 2019	<u>(260,200)</u>
At 31 March 2020	<u>(216,834)</u>

Negative goodwill relates to the purchase of Green Pastures North West Limited in 2015. This amount is being amortised over a period of 10 years.

12 Investments

12.1 Holdings of more than 20%

The company held at the balance sheet date more than 20% of the share capital of the following companies at an aggregate cost of £400,300:

Subsidiary undertaking	Class	Shares held (%)
Adoni Developments Limited (Adoni)	Ordinary	100
Green Pastures Developments Limited (GPD)	Ordinary	100
Green Pastures North West Limited (GPNW)	Ordinary	100
Hoyles Lane Developments Limited (HLD)	Ordinary	100

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

Subsidiary undertaking	Principal activities	Capital and reserves £	Profit / (loss) for the year £
Adoni	Property development	(53,881)	(45,456)
GPD	Property development	(15,687)	(7,880)
GPNW	Housing the homeless	1,096,135	121,436
HLD	Property development	(2,792)	(2,892)

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

12 Investments (continued)

12.2 Current asset investments

Current asset investments comprised short term secured loans to third parties, usually at 10% interest. Exceptions include an unsecured loan interest-free of £4,000 to a former project manager and £60,000 unsecured to Lighthouse Homes of Rotherham for renovations to properties leased by CBS. Lighthouse Homes rents 60 bed spaces from CBS and a large part of the loan is likely to be transferred to CBS's property acquisition cost.

13 Debtors

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts recoverable on contracts	713,874	30,637	-	-
Trade debtors	423,305	616,377	264,643	313,433
Other debtors	272,100	64,644	269,391	46,921
Taxes and social security	128,660	-	-	-
Prepayments and accrued income	198,242	204,582	189,386	196,791
	<u>1,736,181</u>	<u>916,240</u>	<u>723,420</u>	<u>557,145</u>

14 Creditors: amounts falling due within one year

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	275,400	236,071	196,850	159,968
Other loans	9,509,829	9,588,029	9,503,621	9,588,030
Trade creditors	814,573	108,155	30,684	30,550
Other creditors	8,768	19,747	8,768	10,448
Accruals	1,248,225	1,020,896	1,235,289	1,007,589
Taxes and social security	15,426	8,574	13,226	10,926
	<u>11,872,221</u>	<u>10,981,472</u>	<u>10,988,438</u>	<u>10,807,511</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(s) to which they relate. Interest is payable at rates varying from 2.25% to 5.5%; approximately £3.1m is at fixed rates, the remainder at floating rates.

GREEN PASTURES CBS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2020

15 Creditors: amounts falling due after one year

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	12,374,669	12,171,222	9,126,161	8,833,238
Other creditors	21,938,367	17,658,090	21,938,367	17,658,090
	<u>34,313,036</u>	<u>29,829,312</u>	<u>31,064,528</u>	<u>26,491,328</u>

Analysis of loans

Total loans	44,098,265	39,653,412	40,764,999	36,239,326
Included in current liabilities	<u>(9,785,229)</u>	<u>(9,824,100)</u>	<u>(9,700,471)</u>	<u>(9,747,998)</u>
	<u>34,313,036</u>	<u>29,829,312</u>	<u>31,064,528</u>	<u>26,491,328</u>

Loan maturity analysis

Due in one year or less	9,785,229	9,824,100	9,700,471	9,747,998
Due in two to five years	20,614,764	16,473,558	20,091,300	16,200,191
Due in more than five years	<u>13,698,272</u>	<u>13,355,754</u>	<u>10,973,228</u>	<u>10,291,137</u>
	<u>44,098,265</u>	<u>39,653,412</u>	<u>40,764,999</u>	<u>36,239,326</u>

The bank loans are secured by a fixed charge on the building(s) to which they relate. Interest is payable at rates varying from 2.25% to 5.5%; approximately £3.1m is at fixed rates, the remainder at floating rates.

16 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.

16 Financial instruments (continued)

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 balance sheet 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.

17 Share capital

	Consolidated		Charity	
	2020	2019	2020	2019
Ordinary shares of £1 each	£	£	£	£
Issued share capital	1,000	1,000	1,000	1,000

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.

GREEN PASTURES CBS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2020****18 Capital commitments**

At 31 March 2020, the company had no capital commitments other than property purchases in the ordinary course of business (2019 - nil).

19 Unrestricted funds

Group	2019	Income	Expenditure	Other Movements	Tax Credit	2020
Share capital	1,000	-	-	-	-	1,000
General reserve	421,682	5,653,702	(5,735,136)	227,822	3,205	571,275
Revaluation reserve	2,936,612	-	-	1,696,161	-	4,632,773
Total	3,359,294	5,653,702	(5,735,136)	1,923,983	3,205	5,205,048

Charity

Share capital	1,000	-	-	-	-	1,000
General reserve	688,111	3,175,085	(3,270,370)	186,159	-	778,985
Revaluation reserve	2,304,200	-	-	1,754,483	-	4,058,683
Total	2,993,311	3,175,085	(3,270,370)	1,940,642	-	4,838,668

20 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 Andrew Cunningham Building Design Ltd (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 received net repayments of £238,040 (2019 - made net advances of £30,000) leaving the balance due including accrued interest at the balance sheet date of £270,749 (2019 - £464,325). Details are set out in the following paragraphs overleaf.

20 Related parties (continued)

One such borrower, referred to as Borrower A under GDPR, received an advance in November 2013 of £285,000. During 2017, it transpired that the borrower had sold the security for the loan without repaying it, which should not have been possible. The directors are of the opinion that security cover remains adequate. During the year, Borrower A paid £50,548 (2019 - £20,000) toward the interest charge of £27,370 (2019 - £26,977). The balance of this loan including interest and recovery costs at the balance sheet date was £270,749 (2019 - £287,701).

During the year, CBS advanced £nil (2019 - £110,000) to Borrower B including his related companies. Interest of £8,598 (2019 - £9,892) was charged and they repaid £109,247 (2019 - £119,580). At the balance sheet date, they owed £nil (2019 - £100,649 including accrued interest) to CBS.

During the year, CBS advanced £nil (2019 - £30,000) to Borrower C or his immediate family who repaid £78,245 (2019 - £nil) after interest of £2,270 (2019 - £6,027) was charged. At the balance sheet date, they owed £nil (2019 - £75,975) to CBS.

(CPG). Mr Simon Hirst was a director of both CPG and GPD until 3 October 2017. CPG was dissolved on 28 February 2018 and Mr Hirst has confirmed that he has assumed liability for repayment of the loan which is secured on his home. During the year, CPG or Mr Hirst paid interest of £nil (2019 - £nil) against interest charged of £34,265 (2019 - £31,302) and owed £371,715 (2019 - £337,450) at the balance sheet date. This figure includes a principal amount of £260,000 and £111,715 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 did occur for a few months. There is a six month call for repayment on all funds. We understand that the borrower is due to receive a significant fee in respect of a property development and that a third party will refinance the remainder of the loan. Since the year end, CPG has paid £120k and we expect a further £50k imminently. Further fees may be forthcoming from the development.

On 1 April 2019, GPNW, a wholly-owned subsidiary, owed CBS £1,032,642 (2019 - £902,994). During the year numerous charges and payments occurred between the companies including a wages recharge by CBS of £43,522 (2019 - £26,518) resulting in £1,057,203 (2019 - £1,032,642) being due to CBS at the year end. GPNW also had a property loan from CBS of £1,145,864 as at 1 April 2019 on which NW paid interest of £nil (2019 - £nil). At the year end, the balance was £1,145,864 (2019 - £1,145,715).

During the year CBS incurred various items of expenditure on behalf of Green Pastures Partnership, a partnership controlled by two of the directors of CBS. CBS also charged the partnership £32,352 (2019 - £20,102) in relation to wages and administration costs. The balance owed by the partnership at the balance sheet date was £33,490 (2019 - £24,071).

During the year CBS incurred various items of expenditure on behalf of G9 Limited (G9), a company controlled by two of the directors of CBS. CBS also charged G9 £4,601 (2019 - £2,044) in relation to wages and administration costs. The balance owed by G9 at the balance sheet date was £4,621 (2019 - £2,195).

20 Related parties (continued)

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 £151,386 (2019 - £143,530) which exceeds its net asset value by £15,687. GPD has concluded its development of Marks Gate and will continue to be wound down as outstanding matters are settled.

During the year, there were numerous transactions between CBS and Adoni Developments Limited, a wholly owned subsidiary of CBS, including payments on its behalf. The balance owed by Adoni Developments Limited at the balance sheet date was £129,625 (2019 - £129,288).

During the year, there were numerous transactions between CBS and Hoyles Lane Developments Limited, a wholly owned subsidiary of CBS, including payments on its behalf. The balance owed by Hoyles Lane Developments Limited at the balance sheet date was £2,213 (2019 - £nil).

Other transactions

During the year, CBS paid £6,180 (2019 - £6,180) to Andrew Cunningham Building Design Ltd by way of share of office overheads at 28 Union Street, Southport. This company is controlled by Andrew Cunningham and his wife. CBS also paid rent of £7,650 (2019: £7,650) to Andrew Cunningham personally for rent at the same address.

During the year, CBS paid £16,500 (2019 - £nil) to Berkeley Foundation, a company controlled by Mr Paul Cunningham, brother of Pastor Pete Cunningham, for consultancy and management services relating to the Liverpool project for which he raised significant funds to cover project costs.

Property transfers

During the year, CBS acquired one (2019 - no) property from Green Pastures Partnership for an aggregate consideration of £110,398 (2019 - £nil). The purchase was for cash at RICS valuation.

21 Post balance sheet events

On 18 March 2020 the UK Government announced the closure of most businesses due to the COVID-19 pandemic, effective from Friday 20 March 2020. The directors have taken steps to ensure that its sources of income will be as secure as possible in 2020 and at the same time has contingency plans to reduce costs. At this stage no reasonable estimate of the effect of the government announcement can be made, but given the charity's contingency planning, the directors believe the situation can be managed with the minimum possible disruption to the activities of the charity once restrictions are lifted.