



Treasurers Report.

April 2020 –
March 2021



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Introduction.

The **Balance Sheet** and the **Statement of Financial Activities** for the fiscal year ending 31st March 2021 are distributed throughout the meeting and are placed there for information.

The unaudited 2021 Accounts now being presented to the Annual General Meeting also show, for purposes of comparison, the figures for 2020; see attachments ACLT Balance Sheet Comparison and Statement of Financial Activities. The accounts for the last fiscal year are unverified to date. Should anything change when the accounts are verified, then those attending the AGM will be notified in writing and a copy of the verified accounts will be provided.

Funding.

Our revenues continue to be very limited since we do not currently enjoy those revenues normally received because of activities such as rental income, sales, service revenues, fees earned, interest revenue, and so on.

Our income for the year amounted to £38,006.00 against expenses of £34,936.00 therefore the Trust showed a slight improvement of the funds carried forward into 2021 – 2022 fiscal year of £12,132.00.

The financial position of ACLT again remains much the same as the last financial year in as much as until we have assets i.e., completed homes from which we earn income, the organisation does not earn any money of its own.

Obtaining any funding has been challenging due to the impact COVID has had, and continues to have, on those organisations that rely on grants, donations, and legacies to support their activities. ACLT is amongst such organisation until such time as income streams are available to us.

Both the Mayflower Way and Swallows Gate projects, to date have been fully financed from grants from various sources. During the financial year 2020 – 2021 expenditure allocation from both restricted and unrestricted funds has been as follows.

| | |
|---------------|-----|
| Mayflower Way | 65% |
| Swallows Gate | 27% |
| Admin | 8% |

In progressing both projects we have instructed various companies and consultants to carry out surveys and provide reports of the sites to comply with the funding requirements of the lenders and planning conditions set out in the planning approval.

Funding remains a significant area of concern particularly with the Government's 2018 – 2020 Community Housing Fund (CHF) closing on 31st March 2021. However, in January 2021, the Ministry of Housing, Communities and Local Government (MHCLG) announced it was making £4 million available through the Community Housing Fund Revenue Programme 2021/22 to award grants to eligible community organisations in England.

The programme will help cover the revenue costs of project-specific activities that will support the development of community led housing proposals. The programme is aimed at schemes which can prove their deliverability and are at the later stages of pre-development.

The grant will fund pre-development work so that schemes can complete the work required to progress the scheme towards getting on site which at the time of this report we are a few weeks away from in October.

It was considered that ACLT would be in a very favourable position to obtain funding from this program and applications were due to open in April/May of 2021. However, this didn't happen for reasons only known to the Government and there was no indication when the fund would be open for applications.

The **Southdown National Park Authority (SDNPA)** has been particularly supportive of our work in the Parish and subject to completion of the two projects on which we are currently working, have now granted us £104K to go towards capital costs of green energy sources (PVs and ASHP) for Mayflower Way, and £125K for the Swallows Gate project.

Arun District Council (ADC) has granted £160K for the Mayflower Way project and provided a commuted sum of £583K allocated from the 24 homes Crayfern Homes are building on the north side of Mayflower Way. These funds will be available during the fiscal year 2021 – 2022.

Reach Fund continues to support our activities and has provided vital funding for the loan security valuation of the Swallows Gate scheme which enabled us to secure loan funding for the purchase of the 5 homes.

Taxation

In last year's report we again had it confirmed by HMRC that on the basis the association is only receiving grant income that HMRC would consider it dormant for corporation tax for 5 years and therefore not liable for Corporation tax during that period. However, HMRC's position has changed and now considers ACLT liable for tax. However, we have continued to progress our claim that as a Community Benefits Society who only operates for charitable purposes, we should be 'Tax Exempt'. HMRC has disputed this and therefore we have recently taken legal advice on our position.

Financial modelling

Financial modelling of our schemes is critical in determining not only the viability of our schemes but also provides pointers as to the best way in which to finance them.

The impact of Covid on the construction industry supply chains was and continues to be a concern and at the end of March 2021 it was clear that building costs would seriously impact the viability of both schemes, particularly the financial viability of Mayflower Way.

Various financial scenarios were run on our Mayflower Way scheme based on advice from our Employers Agent and other expert sources, on anticipated build costs/m². This revealed that we would need to revise the tenure mix of Mayflower Way from 12 all rental properties to 8 rental and 4 shared ownerships properties to make the scheme financially viable and this was without considering the full impact that increased build costs were likely to have on the scheme. Until competitive build costs were obtained, we could only run our best build costs/m² estimates. The impact of this change of tenure was that ADC were obliged to revise downwards their grant from £240K (as reported in our last annual report), to £160K. Their funding for affordable homes did not support those dwellings in schemes offered as Shared Ownership tenure. ACLT was also hit with a further unexpected cost of around £130K from UK Power Networks to connect power to the site. A highly challenging financial triple whammy – increased build and infrastructure costs and reduced grant funding.

Much work in this regard continued to be carried out on our two active schemes, Mayflower Way and Swallows Gate.

Financial modelling is a specialised area and requires experts to create the models and make a case that can be taken to commercial lenders for their consideration. We have instructed **Triodos Corporate Finance Ltd** to carry out this work on our behalf and to identify the most likely lenders who have an appetite to ACLT funding requirements and the cash flows over the life of the schemes to meet the lenders covenants.

Banking.

During this year the ACLT has been investigating switching to an alternative bank that best meets the financial operating needs of the Trust as we move into a very different working environment. It is considered that our current bankers are limited in meeting our needs in that regard.

The current bankers, Unity Trust Bank, was chosen by the Trust in its formative years as it was one of the few ethical banks operating in the charitable sector at that time. Since then, many more such banks have appeared in the market. However, this has not necessarily provided more choice, since these new entrants all differentiated themselves with a view to attracting those charitable organisations that are a good fit for their own ethical requirements and principles. However, in many cases ACLT could not meet those requirements without compromising ACLTs own aims and objectives.

We have yet to decide on who we will switch to, but it is hoped that we will complete the changeover during the fiscal year 2021 – 22.

Summary

This has been a very challenging year both financially and operationally, i.e., just trying to keep things on track when faced with a tsunami of issues not of our making and outside our control. However, as reported in the Treasurer's 2020 annual report, again it should be noted that very little cost for our current projects and the general running of the CLT has fallen on the community and it is our intention that this should remain so for as long as possible.

We will continue to seek alternative funding opportunities to those previously provided by the Government. However, the pandemic has significantly reduced our opportunities to garner interest for our activities due to a shift in funding focus to those groups and organisations that are creating and managing recovery

projects because of the impact that COVID-19 has had on the communities in which they serve.

The Treasurer would like to extend his personal thanks to the other Board Members and volunteers who have supported the treasury's work throughout a difficult year.

We anticipate the next fiscal year 2021- 022 to be very different and very busy too as we commence the buildout of Mayflower Way and start to receive revenue streams from our Swallows Gate scheme.



Report of the Members and
Unaudited Financial Statements
for the Year Ended 31 March 2021
for
Angmering Community Land Trust



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Community Land Trust

Bennewith 2018 Limited
t/a A J Bennewith & Co
3 Wey Court
Mary Road
Guildford
Surrey
GU1 4QU



Contents of the Financial Statements
for the Year Ended 31 March 2021

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Report of the Members
for the Year Ended 31 March 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Society Registration Number

RS007201 (England and Wales)

Registered office

Angmering Community Land Trust
Angmering Community Centre
Foxwood Avenue
Angmering, Littlehampton
West Sussex
BN16 4FU

Members

T Cross (Chair)
R McDonald (Treasurer)
S Mountain
K Yates
A Colliss
G Cornford (Secretary)
J Anstee
J Welch
A Trehella

Bankers

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Status

Angmering Community Land Trust is a Registered Society.

Approved by order of the members on 15/9/2021 and signed on its behalf by:



.....
A Cross - Member



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**Statement of Financial Activities
for the Year Ended 31 March 2021**

| | Notes | Unrestricted fund £ | Restricted funds £ | 31.3.21 Total funds £ | 31.3.20 Total funds £ |
|------------------------------------|-------|---------------------------|--------------------------|--------------------------------|--------------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | | 3,019 | 34,965 | 37,984 | 15,593 |
| Investment income | 2 | 22 | - | 22 | 59 |
| Other income | | - | - | - | 600 |
| Total | | 3,041 | 34,965 | 38,006 | 16,252 |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Mayflower Way | | 9,991 | 12,697 | 22,688 | 15,690 |
| Swallows Gate | | - | 9,400 | 9,400 | - |
| Admin | | 570 | 2,278 | 2,848 | 7,299 |
| Total | | 10,561 | 24,375 | 34,936 | 22,989 |
| NET INCOME/(EXPENDITURE) | | (7,520) | 10,590 | 3,070 | (6,737) |
| Transfers between funds | 7 | 9,444 | (9,444) | - | - |
| Net movement in funds | | 1,924 | 1,146 | 3,070 | (6,737) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | (1,562) | 10,624 | 9,062 | 15,622 |
| TOTAL FUNDS CARRIED FORWARD | | 362 | 11,770 | 12,132 | 8,885 |



The notes form part of these financial statements

Balance Sheet
31 March 2021

| | Notes | Unrestricted fund £ | Restricted funds £ | 31.3.21 Total funds £ | 31.3.20 Total funds £ |
|--|-------|------------------------|-----------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | 1 | - | 1 | 1 |
| CURRENT ASSETS | | | | | |
| Cash at bank and in hand | | 15,460 | 11,770 | 27,230 | 24,181 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 6 | (15,099) | - | (15,099) | (15,120) |
| NET CURRENT ASSETS | | <u>361</u> | <u>11,770</u> | <u>12,131</u> | <u>9,061</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>362</u> | <u>11,770</u> | <u>12,132</u> | <u>9,062</u> |
| NET ASSETS | | <u>362</u> | <u>11,770</u> | <u>12,132</u> | <u>9,062</u> |
| FUNDS | 7 | | | | |
| Share capital | | | | 177 | 177 |
| Unrestricted funds | | | | 185 | (1,739) |
| Restricted funds | | | | <u>11,770</u> | <u>10,624</u> |
| TOTAL FUNDS | | | | <u>12,132</u> | <u>9,062</u> |

Using the powers set out in section 84 Co-Operative and Communities Benefit Societies Act 2014 the members voted to disapply section 83 Duty to appoint auditors. Therefore, the financial statements have not been audited.

The officers of the Management Committee acknowledge their responsibilities for

- (i) ensuring that the society keeps accounting records that comply with sections 75 and 387 of the Co-operative and Community Benefit Societies Act 2014 (the Act),
- (ii) Establishing and maintaining a satisfactory system of its books of accounts, its cash holdings and all its receipts and remittances in order to comply with section 75 of the Act, and
- (iii) Preparing financial statements which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its profit for the financial year in accordance with the requirements of sections 79 and 80, and which otherwise comply with the requirements of the Act related to financial statements, so far as applicable to the society.

These financial statements have been prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015).

Balance Sheet - continued
31 March 2021

The financial statements were approved by the Board of Trustees and authorised for issue on

15/9/2021 and were signed on its behalf by:



.....
A Cross - Member



**Notes to the Financial Statements
for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the society to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Freehold property is currently not depreciated as it was bought into the accounts at a nominal value.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

| | 31.3.21 | 31.3.20 |
|--------------------------|----------------|----------------|
| Deposit account interest | £ <u>22</u> | £ <u>59</u> |

3. Members' REMUNERATION AND BENEFITS

There were no members' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Members' expenses

There were no members' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|------------------------------------|---------------------------|--------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 1,656 | 13,937 | 15,593 |
| Investment income | 59 | - | 59 |
| Other income | 600 | - | 600 |
| Total | 2,315 | 13,937 | 16,252 |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Mayflower Way | 15,690 | - | 15,690 |
| Admin | 3,986 | 3,313 | 7,299 |
| Total | 19,676 | 3,313 | 22,989 |
| NET INCOME/(EXPENDITURE) | (17,361) | 10,624 | (6,737) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 15,622 | - | 15,622 |
| TOTAL FUNDS CARRIED FORWARD | (1,739) | 10,624 | 8,885 |

5. TANGIBLE FIXED ASSETS

| | Freehold property £ |
|-----------------------------------|---------------------------|
| COST | |
| At 1 April 2020 and 31 March 2021 | 1 |
| NET BOOK VALUE | |
| At 31 March 2021 | 1 |
| At 31 March 2020 | 1 |

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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.21 | 31.3.20 |
|-----------------|---------|---------|
| | £ | £ |
| Trade creditors | 15,099 | 15,120 |

7. MOVEMENT IN FUNDS

| | At 1.4.20 | Net movement | Transfers between funds | At 31.3.21 |
|-------------------------------------|---------------|----------------|-------------------------|---------------|
| | £ | in funds | £ | £ |
| | | £ | | |
| Unrestricted funds | | | | |
| General fund | (1,562) | (7,520) | 9,444 | 362 |
| Restricted funds | | | | |
| South Downs National Park Authority | - | 11,000 | - | 11,000 |
| Homes England | - | 9,444 | (9,444) | - |
| Social Investment Business Grant | <u>10,624</u> | <u>(9,854)</u> | - | <u>770</u> |
| | <u>10,624</u> | <u>10,590</u> | <u>(9,444)</u> | <u>11,770</u> |
| TOTAL FUNDS | <u>9,062</u> | <u>3,070</u> | - | <u>12,132</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|-------------------------------------|--------------------|--------------------|-------------------|
| | £ | £ | £ |
| Unrestricted funds | | | |
| General fund | 3,041 | (10,561) | (7,520) |
| Restricted funds | | | |
| South Downs National Park Authority | 15,000 | (4,000) | 11,000 |
| Homes England | 15,165 | (5,721) | 9,444 |
| Social Investment Business Grant | <u>4,800</u> | <u>(14,654)</u> | <u>(9,854)</u> |
| | <u>34,965</u> | <u>(24,375)</u> | <u>10,590</u> |
| TOTAL FUNDS | <u>38,006</u> | <u>(34,936)</u> | <u>3,070</u> |

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Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

7. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1.4.19 £ | Net movement in funds £ | At 31.3.20 £ |
|----------------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 15,799 | (17,361) | (1,562) |
| Restricted funds | | | |
| Social Investment Business Grant | - | 10,624 | 10,624 |
| TOTAL FUNDS | <u>15,799</u> | <u>(6,737)</u> | <u>9,062</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|----------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 2,315 | (19,676) | (17,361) |
| Restricted funds | | | |
| Social Investment Business Grant | 13,937 | (3,313) | 10,624 |
| TOTAL FUNDS | <u>16,252</u> | <u>(22,989)</u> | <u>(6,737)</u> |



Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

7. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.4.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.21 £ |
|-------------------------------------|----------------|----------------------------------|------------------------------------|--------------------|
| Unrestricted funds | | | | |
| General fund | 15,799 | (24,881) | 9,444 | 362 |
| Restricted funds | | | | |
| South Downs National Park Authority | - | 11,000 | - | 11,000 |
| Homes England | - | 9,444 | (9,444) | - |
| Social Investment Business Grant | - | 770 | - | 770 |
| | - | 21,214 | (9,444) | 11,770 |
| TOTAL FUNDS | <u>15,799</u> | <u>(3,667)</u> | <u>-</u> | <u>12,132</u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|-------------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 5,356 | (30,237) | (24,881) |
| Restricted funds | | | |
| South Downs National Park Authority | 15,000 | (4,000) | 11,000 |
| Homes England | 15,165 | (5,721) | 9,444 |
| Social Investment Business Grant | 18,737 | (17,967) | 770 |
| | 48,902 | (27,688) | 21,214 |
| TOTAL FUNDS | <u>54,258</u> | <u>(57,925)</u> | <u>(3,667)</u> |

8. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.

Angmering Community Land Trust

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2021**

| | 31.3.21 £ | 31.3.20 £ |
|---------------------------------|---------------------|-----------------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Grants | <u>37,984</u> | <u>15,593</u> |
| | 37,984 | 15,593 |
| Investment income | | |
| Deposit account interest | 22 | 59 |
| Other income | | |
| Non-profit income | <u>-</u> | <u>600</u> |
| Total incoming resources | 38,006 | 16,252 |
| EXPENDITURE | | |
| Charitable activities | | |
| Insurance | 533 | 1,065 |
| Travel | - | 180 |
| Postage and stationery | - | 153 |
| Sundries | 88 | 923 |
| Consultancy fees | 12,954 | 17,366 |
| Financial Modelling fees | 14,500 | - |
| Legal fees | 1,438 | 900 |
| Planning costs | 141 | - |
| Valuation Fees | <u>4,800</u> | <u>-</u> |
| | 34,454 | 20,587 |
| Support costs | | |
| Management | | |
| Subscriptions | 410 | 548 |
| Finance | | |
| Bank charges | 72 | 54 |
| Governance costs | | |
| Accountancy | <u>-</u> | <u>1,800</u> |
| Total resources expended | 34,936 | 22,989 |
| Net income/(expenditure) | <u>3,070</u> | <u>(6,737)</u> |

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This page does not form part of the statutory financial statements