



Treasurers Report.

July 2022 –
June 2023

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Introduction.

Last year we reported that during that fiscal year the organisation had undergone restructuring to make it more tax efficient. This involved creating a new Community Benefits Society (CBS), known as ACLT2 Ltd and dissolving the old CBS, known as Angmering Community Benefits Society. This was carried under a statutory process known as the Transfer of Engagements, (ToE). This also included the transfer of the ownership of our fixed assets and in particular the land at Mayflower Way requiring the involvement of HM Land Registry. Also included in this process was the removal of ACLT2 Ltd from the FCA Mutuals Register and replacing it with Angmering Community Land Trust.

It's taken longer than anticipated due to Land Registry delays, but we have finally reached the end of the transfer of engagement process.

Audit

Our auditors A J Bennewith were instructed to audit our accounts and these documents are distributed throughout the meeting and are placed there for information.

An audit was deemed necessary to ensure that the financial activities of the old Trust and the new Trust during the ToE were recorded correctly. This was a complicated audit and took a little longer than we had expected but we are pleased to report that no issues arose out of the audit.

It will not be necessary to employ an auditor for the financial year 23/24. As a registered society we may by resolution disapply section 83 (duty to appoint auditors) in respect of a year of account if —

1. the total value of its assets at the end of the preceding year of account did not exceed £2,800,000, and
2. its turnover for that preceding year did not exceed £5,600,000.

For the fiscal year 2022- 2023 we did not exceed either of these conditions and therefore we will disapply section 83 for the financial year 2023 – 2024.

We will continue to use A J Bennewith as our accountants for the financial year 2023 – 2024.

Bookkeeping

Our outsourced bookkeeping services were discontinued due to our reduced bookkeeping requirements, reflecting the mothballing of our Mayflower Way

project. The Deputy Treasurer has taken on this role, and we are most grateful for his commitment to this task.

With a change of bookkeeper, we also took the opportunity to change our accounting software from QuickBooks to Xero. This was deemed necessary for several reasons least of which was that the reports in QuickBooks were for most non-financial savvy people difficult to understand. It is generally agreed that the Xero reports are easier to read and understand which provides better opportunities for people to ask questions about the accounts.

Funding.

The economic climate has seriously impacted our ability to raise funds for our Mayflower Way project. We are not alone. Many other CLT across our district and the country have also run into the same problem. Even our current bankers Triodos have quoted that there are several CLT's (and other affordable housing organisations) in the same position as us and that there is a 'need to get a good slug of grant made available!'

For the fiscal year 22/23 no grants were available for our project despite several efforts to engage with other grant providers. The steady increase in interest rates has made the scheme less and less viable with every BOE interest rate hike.

Much pressure is being put on the Government to make grants available for these schemes which could unlock thousands more truly affordable homes across the country.

Other avenues of enquiry with other potential stakeholders continue with a view to of restarting the project as reported in the Chair's annual report.

To date Mayflower Way, has been fully financed from grants from various funding sources.

Financial modelling

Hitherto, we have relied very much on our bankers to provide financial modelling of our Mayflower Way scheme. We are fortunate that the deputy Treasurer has taken on the mantle being our own in-house guru when it comes to financial modelling and has created a suite of models that provide the critical insight as to whether a particular set of data when calculated, verifies the financial viability, or not of the scheme.

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. Whilst we have instructed Triodos Corporate Finance Ltd to carry out this work on our behalf in the past and to identify the most likely lenders who have an appetite to ACLT funding requirements, our own models are sufficiently detailed that we can now carry out this work ourselves to present to possible lenders.

This has saved us many thousands of pounds and we are more than grateful for his continued enthusiasm and dedication to the task.

Banking.

During the year we have changed our Bankers from Unity Trust Bank to CAF Bank. CAF Bank were considered to match our banking needs better as ACLT had changed its status.

Summary

This has been another very challenging year both financially and operationally, i.e., just trying to keep things on track when faced with a host of issues not of our making and outside our control.

However, with the successful purchase and occupation of all five properties at Swallows Gate by local families and the income stream it generates, we are greatly encouraged – ‘nothing succeeds like success.’ Mayflower Way, whilst challenging on all sorts of fronts, is a worthy project that will benefit those with a local connection to Angmering, an objective that is at the very heart of our endeavours.

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. We will also review opportunities of moving some of our funds into higher interest-bearing accounts that are currently not available with our current bankers, CAF Bank.

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. In particular, the Treasurer would like to express his thanks to Arthur

Trehella, ACLT's Deputy Treasurer, for his own work on financial modelling and insightful critique of our accounts.