



# ANNUAL REPORT & ACCOUNTS

2020





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## CHAIR'S STATEMENT

### This year

This has been another year of steady progress for the Society. We have sold all our homes at St Clements. We have started the contract to build eleven homes at Brasted Close, Lewisham. We have achieved Investor Partner Status with the GLA and have entered into London's first capital grant agreement (of £2.13 million) from the Community Housing Fund. We have a pipeline of over 150 homes and commitments from landowners for many more, including on the Olympic Park.

This has also been a difficult year as we have come to terms with Covid-19 and the impact it has had on our ability to meet face to face. We have moved most of our work online and have avoided furloughing our staff who have adapted well to the new normal.

We have also firmly recognised that we need to be bigger and better if we are to deliver on the ambitions of our members. Much of our work has been slow to deliver as we learn what is required. Having started in 2007, it has taken us many years to get the opportunity before us - sites across London, funding through the Community Housing Fund and an organisation that increasingly has the ability to deliver.

### A call to arms!

The year ahead is a critical one for both London CLT and our city. As an organisation, we have embarked on a strategic review process which will engage us and our partners for the next six months as we develop a robust business plan for the next 5 years. As a city, the current housing crisis shows no signs of improving. It may even get worse in a world with Covid-19. The pandemic has laid bare the desperate need for local people to support one another, and CLTs are one of the only housing models that places relationships between neighbours at the heart of its model. We can help London build back better!

Our membership has grown to over 3,300 shareholders and we cannot stress how important you are to us as a movement. If we are to interrupt the housing market, we must put ordinary Londoners in charge of the decisions that affect them and their loved ones. We will need your help and involvement if we are to succeed.

This is my last report as Chair of the Society. It has been a great privilege to serve such a visionary programme of activity. My thanks to all members of the team – both staff and volunteers - who have worked with great commitment to get us this far on the journey. Over to you...



**Paul Regan**  
Chair of the Board





# 2020

## OUR YEAR IN BRIEF

### £2.13m

entered the GLA's first capital agreement through the Community Housing Fund, laying the ground for others to follow.

### £495k

of additional grant negotiated for Brasted Close through the GLA's Community Housing Fund, which puts **Brasted Close on a viable footing**, with a confident **start on site date of April 2021**.

## 100% RESIDENT SATISFACTION

When asked in 2019, 100% of residents would recommend London CLT as a partner for working with local communities, and 100% were satisfied with their community involvement. However, **more needs to be done to help residents hold their managing agent to account**.

## 167 homes in our pipeline

Ranging from projects with planning permission, such as Brasted Close in Lewisham, to those with a written commitment from the landowner, like Clement's Road in Redbridge, London CLT has 167 homes in our pipeline.

This pipeline has been fought for by our members over the past few years through organising campaigns.

**We are entering a Strategic Review period** from September 2020 - February 2021 to determine how best to deliver on this opportunity.

### 427 new members

bringing our total membership to 3,390.

## Better systems

We have new development and financial models. Improving our technical systems is essential to us professionalising our work, and will continue in 2021.

## LAST RESIDENT MOVED INTO ST CLEMENT'S!

All 23 homes at St Clement's now have residents in. That means **there are now 72 London CLT residents**, including 6 new CLT babies!

### £370K

accessed via a government backed SIB loan



# SOCIAL IMPACT

Our Mission:

COMMUNITIES CREATING  
PERMANENTLY AFFORDABLE HOMES  
AND TRANSFORMING NEIGHBOURHOODS

# OUR APPROACH

## Genuinely and permanently affordable homes

Over the last 5 years, house prices have consistently been around twelve times average incomes in London . When coupled with local authority waiting lists running into the tens of thousands, Londoners are consistently forced to choose between living in often unhealthy, insecure private rented accommodation or leaving their friends, family and community for good.

One of London CLT's founding principles is that the term 'affordable' is only genuine if it is based on how much money people in the local area earn. We base the sales price of our homes on local median incomes, ensuring they are affordable to local people. The second principle is that those homes should be affordable in perpetuity, ensuring that Londoners can afford to live in the city for generations to come, rather than selling their home to make a profit. At London CLT, we add a clause in our residents' leases that require them to sell the home on to the next owner using the same formula, linked to local incomes.

## Community-led

If Londoners are to live in their communities for generations to come, they need to have a say in shaping them. Most housing strategies are top down, failing to utilise the local expertise and knowledge that could make them successful. They also fail to adequately recognise the importance of social connections on the wellbeing of individuals and communities. London's current approach is in danger of building homes but damaging communities, creating unnecessary conflicts between existing and new residents.

London CLT is member-led, meaning decisions about each of our projects are made by our members who live in that neighbourhood. This includes everything from identifying sites and appointing architects, to negotiating with politicians and funders. We also work with Citizens UK to train our members to become leaders in their local community, and effect change in their wider neighbourhood. Once built, our residents lead the management of their homes. At St Clement's, this is in the form of a Resident's Management Company, who can hire and fire whoever manages the site.

## Changing the system

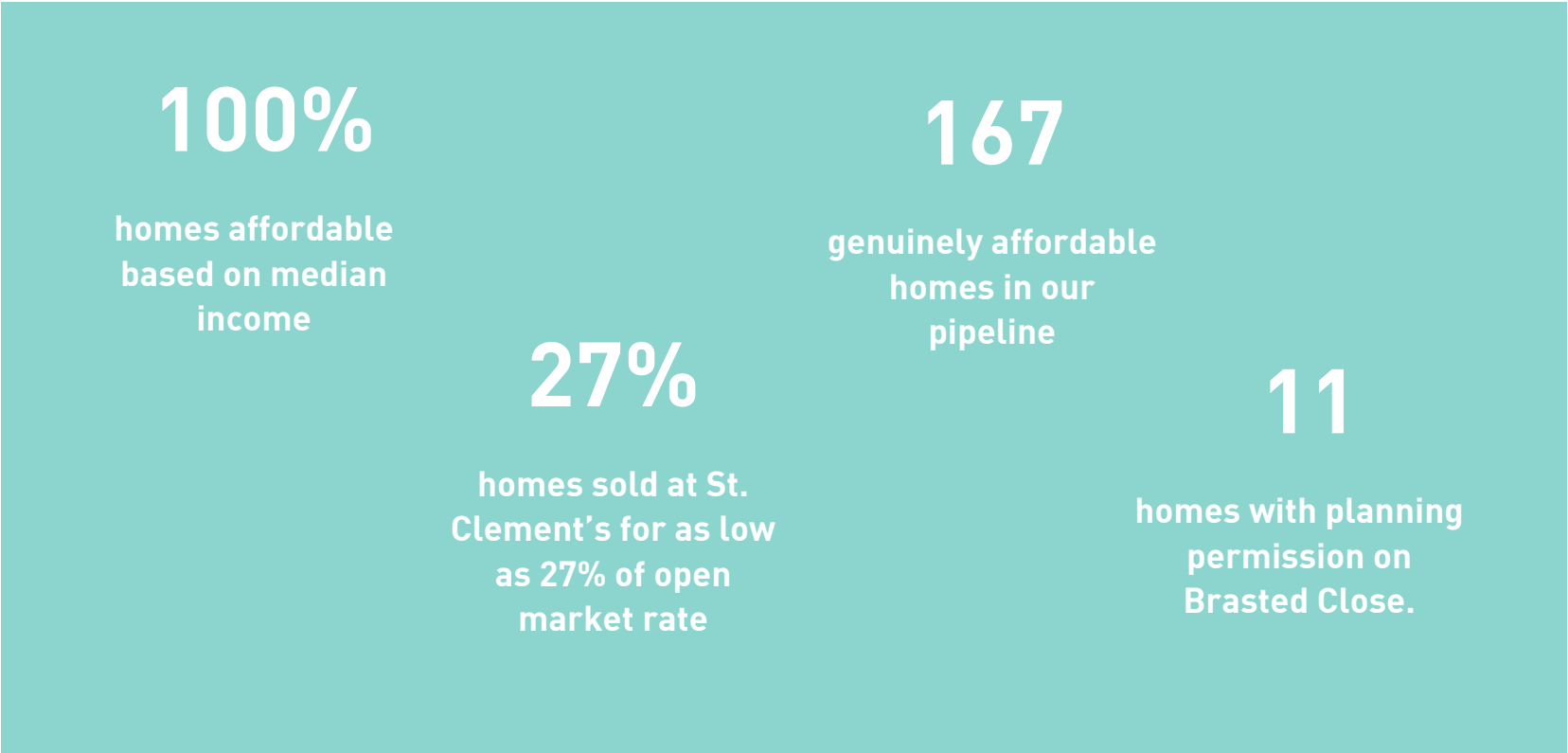
London CLT seeks to have a wider impact beyond working with communities to create permanently affordable homes. To address the vast housing need in London we must **innovate** new ways to tackle the housing crises and **influence** the political and housing sectors so that they learn the wider lessons from our work. For example, redefining what affordable truly means and ensuring communities are part of shaping their futures!



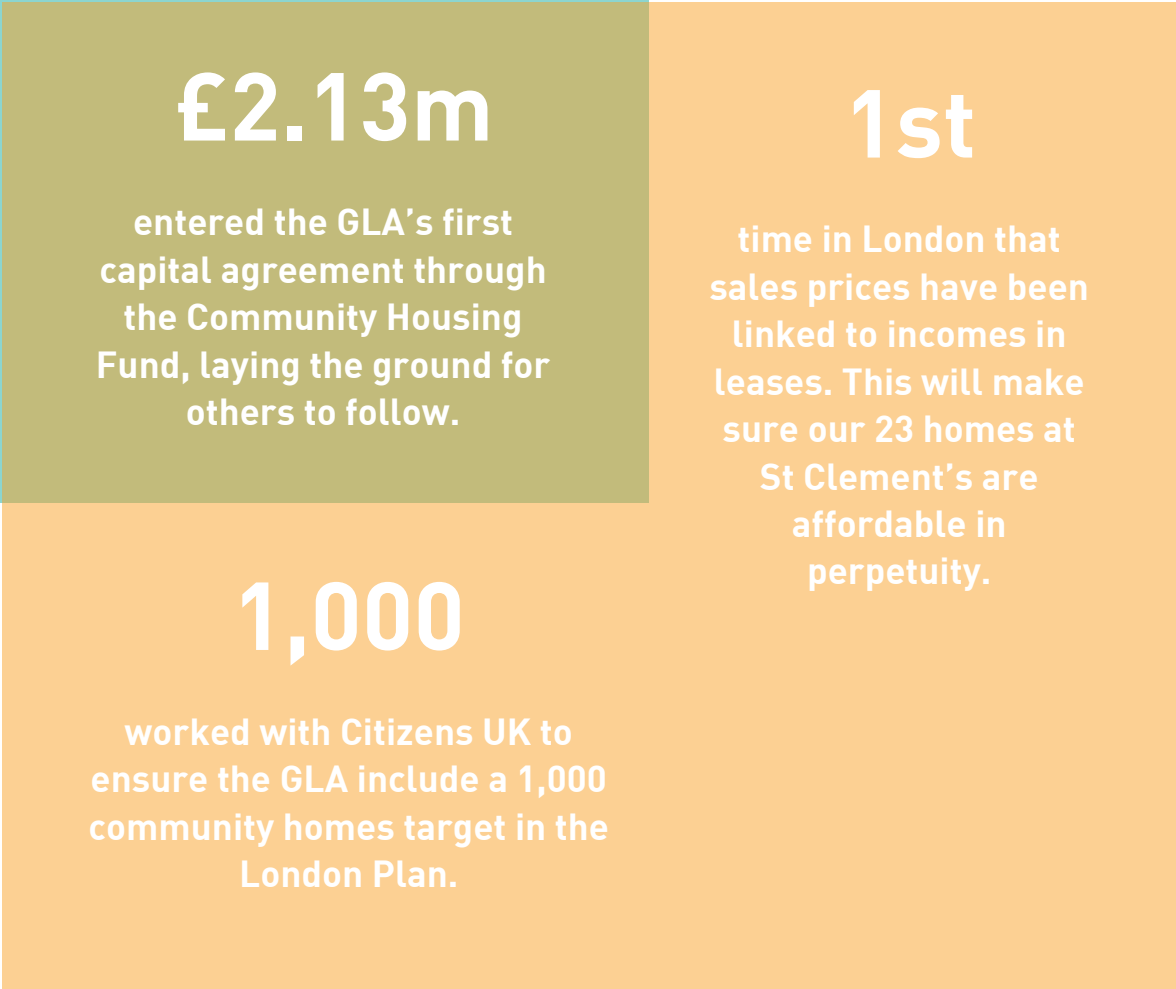
# OUR IMPACT IN NUMBERS

When working with people, numbers rarely tell the whole story. But, they can help summarise the scale and depth of the impact we have had. The numbers on this page provide a snapshot of the successes London CLT has had to date.

## genuinely and permanently affordable homes



## community-led



## changing the system



# OUR IMPACT IN STORIES

## BETHAN, SEREN & DYLAN

“ In 2016, before St. Clements I had lived and worked in Tower Hamlets for 15 years. My children were born here. We lived in a 1-bedroom shared ownership flat with no prospect of finding anything bigger in Tower Hamlets.

I slept on a fold out bed in the living room and Seren (10) and Dylan (8) shared the bedroom, but with them getting older it was becoming more difficult.

I was involved with London CLT from 2007, when London Citizens pitched tents on the lawn outside City Hall to demand a meeting with the then Mayor. We didn't move until Ken Livingstone came out to talk with us about London's first CLT. When St Clements came on the market we said, “This would be ideal!” and we started lobbying for it.

I applied for a CLT home in 2016 and after a tense process, I was offered a three-bedroom flat!

Both my children had shared a bedroom all their lives and they now have their own space where they can do their own thing and I have my own bedroom instead of sleeping in the living room on a sofa bed! It has been tremendously important for the children – my daughter has started senior school and she now has her own private space to be an individual.

Everyone seems community-minded and there is real interest in what's going on. For the CLT residents it feels like we finally have our own house, our security.

I just can't believe that we've got such a beautiful house in the area! It is incredible living in this big, bright, spacious flat which was ours! ”



Bethan, Seren and Dylan at a public London CLT meeting, and at home



# OUR IMPACT IN STORIES

## RAZIA

“ In 2014, due to a difficult pregnancy, I was hospitalised and through this became isolated. One day our landlord called and said he was selling; and although we had a premature baby, we would need to move.

That first morning in our new property, I recall sitting in the living room at 6am to see a slug slowly sliding between my feet. The whole place was infested with slugs. It was too much - we decided to move again.

The new place was supposed to be a temporary solution, but we couldn't afford to move out. We were talking about leaving the area even though my husband and our children were born in Lambeth, and my daughter is at a school who make exceptional efforts to manage her complex special needs.

One evening we had a knock at the door, my husband answered. I heard people mention affordable housing, and my husband said, 'You should speak to my wife about this!'.

Curious to see what was happening, I went along to the first steering group meeting.

Attending the meetings again and again, I learnt about what CLTs are.

Stepping out into the CLT group inadvertently became a journey of my own self-rediscovery. It has encouraged me to go out and get active again. It's given me a safe environment, to speak to strangers.

The group has also given me the courage to go back to work. Last month, after ten years out of the work environment, I secured a job in an international property company CBRE!

At the South London Citizens Accountability Assembly in Southwark Cathedral I realised how big all of this is. I got up on the podium to give my speech. In front of me, there were hundreds of people. The only thing I could clearly focus on was my two children in the front row with their thumbs up. It dawned on me; I HAD to be up there so they can see how they can BE the change. THAT'S when it became bigger than just me. It reminded me why I was doing this work.

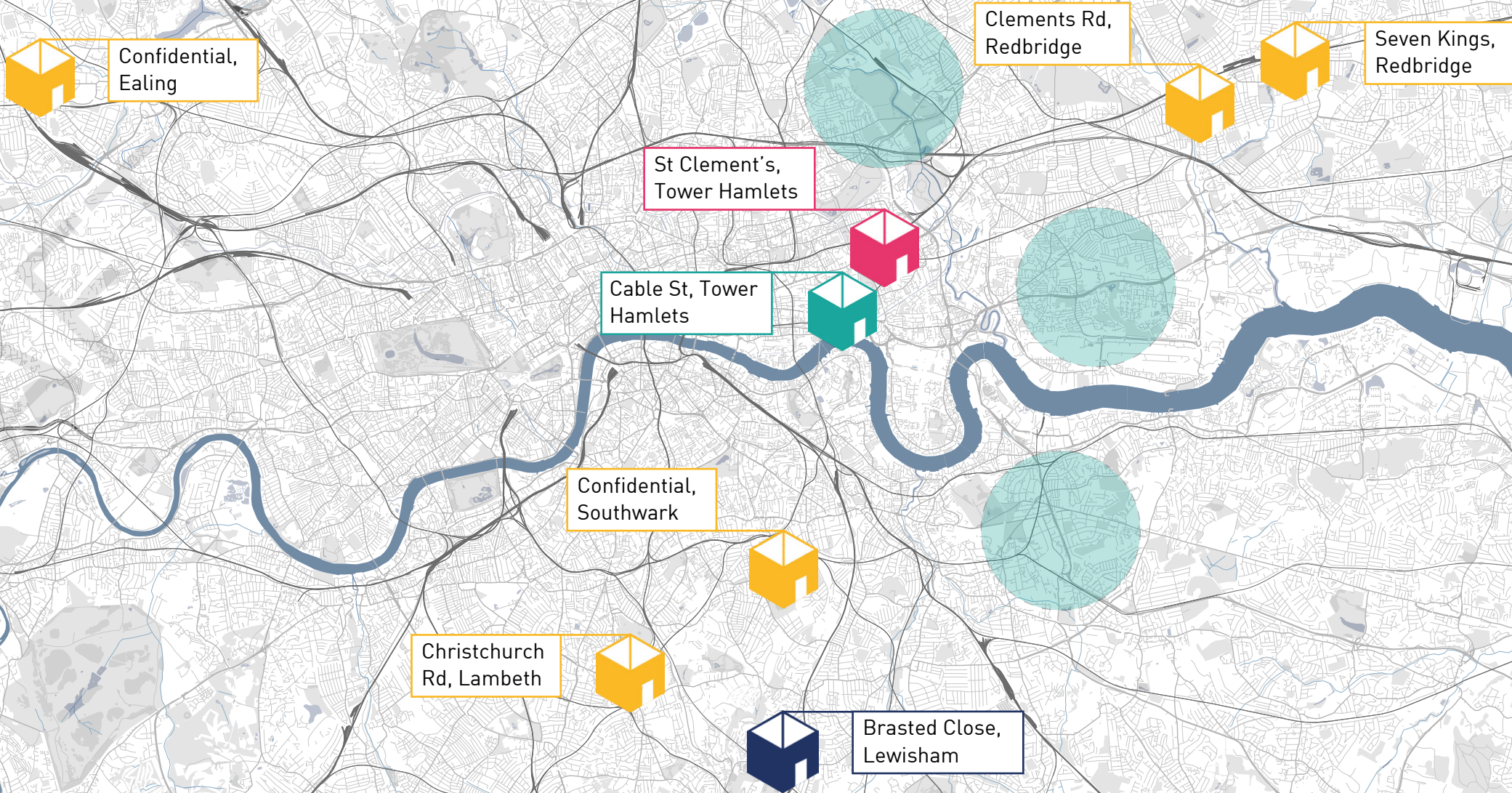
As a London CLT board member I have had the opportunity to meet and address many key partners from MPs to the Deputy Mayor for housing at the GLA. I have been seeing the impact planned action has on our partners. I continue to be inspired and proud to be a part of these efforts and the space it provides for my personal growth and goals. ”








Razia telling her story, and helping others learn from her work on our Christchurch Road site



# OUR IMPACT IN HOMES & SITES



**KEY**

	Complete (23 homes)		Committed landowner (116 homes)
	Planning permission (11 homes)		Campaigns to find sites
	Land agreed (40 homes)		



# OUR ROOTS

## CITIZENS UK & COMMUNITY ORGANISING

London CLT grew out of the community organising efforts of Citizens UK. Citizens UK organises communities to act together for power, social justice and the common good. It is made up of diverse member organisations including schools, churches, mosques, synagogues, parents groups, health practice, charities and trade unions. The organisation helps these members to develop leaders, so they can participate in public life and hold politicians and other decision-makers to account on the issues that matter to them.

We continue to work hand-in-hand with Citizens UK organisers, community leaders and member organisation. Our shared approach is rooted in traditions of broad-based organising which remain central to all our strategies.

Each of our sites is led by a group of local London CLT members, who are often Citizens UK members too. It is these groups that set the objectives for a project and help ensure decisions are made by local people, with support, oversight and accountability from London CLT's Board.

We believe that the relational way we work and the attention we put into the politics of CLT campaigning with the help of Citizens UK are central to our success.



Images of community organising and working with our partners at Citizens UK



# GOVERNANCE

London CLT's AGM is a key moment each year. 70-150 people gather to elect the Board and make decisions.





# BOARD'S REPORT ON THE AFFAIRS OF THE SOCIETY

## Social Impact

The Board is proud of the positive social impact the society delivers. A walk around our completed project at St. Clements is a clear demonstration of not only families housed but neighbours building community together. Furthermore, we can see our campaign work with communities fostering bonds and developing community leaders who are shaping projects at an early stage to have maximum social impact.

This impact is essential to our mission and so to bring some rigour to it, in the past year a dedicated Social Impact Board Subcommittee has been established to oversee implementation of our Social Impact Strategy, developed in 2019 with the 'The Transformational Index'. We have begun to measure our impact through a number of metrics and tools and expect to report on these in future years. For more information, please see the Social Impact section of this report.

## Project updates

**Cable Street, Tower Hamlets;** After being awarded a piece of Transport for London (TfL) land, 2020 has seen the successful negotiation of the first ever Capital Grant Agreement between the GLA and a Community Land Trust for the Cable Street site. In addition to the land, the GLA have agreed to £2.13 million in grant funding to support London CLT to build 40 affordable homes on the site.

**Christchurch Road, Lambeth;** After being awarded a piece of Transport for London (TfL) land, a 'Pre-Application' meeting has been held with Lambeth planners to assess the site. However, there are challenges; new funding was secured to develop a detailed execution plan. This will complete in Q4, helping determine how to progress.

**Brasted Close, Lewisham;** London CLT successfully entered into a Pre-Construction Services Agreement (PCSA) with community selected contractor 'Rooff' for 11 homes. The project was made possible due to further grant uplift approved by the GLA. As London CLT's first direct development, we have had to overcome numerous hurdles to get to this stage and expect construction to commence by April 2021.

**Clement's Road, Redbridge;** We have established a strategic partnership with Redbridge Living, the council's own development company, to include London CLT homes throughout its pipeline. This includes 10 homes at Clement's Road.

**St. Clements, Tower Hamlets;** The final CLT families have moved in and we have 23 occupied homes. Over the next year, London CLT will be working with residents to set up a resident-led management company,

to ensure the site remains resident-led. The first AGM of the 'Ricardo Community Foundation', established to take over the freehold of the site, was held and work will be done to ensure the money from ground rents at St. Clements goes back into the community in Mile End.

On other campaigns we have provisional agreements from landowners in Greenwich, Newham and Ealing.

## Governance

The Board met at a Strategy Day in July 2020. At this meeting and a subsequent Board meeting on 18 August, it was agreed that the organisation would enter a six-month strategic review period. This review would be overseen by a new 'Chair's Committee, made up of the Chair, the Chairs of our development, finance & risk, HR and social impact subcommittees. The Chair's committee will help ensure active Board participation during the strategic review.

In addition to the changes above, the Board is also seeking Board members with more development experience.

## Finances

The Board is confident that based on a review of all financial projections, London CLT is a going concern. More information can be found in the Treasurer's report and audited accounts under 'Finances'.

## A note to Investors

London CLT homes were not sold at Brasted Close in 2019 as originally anticipated. London CLT income for the current year will reflect only the sale of the remaining 2 units at St Clements and no sales at Brasted Close. For this reason, London CLT's Board decided not to pay any interest on the withdrawable shares this year.

We understand this position will be disappointing to investors, but the Board is confident it is the right position given the information currently available. The target return remains at 5% for existing community share offer investors and we will do all we can to ensure such a payment is possible in future.

## Chair Paul Regan retires

Paul Regan has chaired London CLT since its inception in 2007. In that time, Paul has shepherded the organisation from being simply an idea, to an operation that has completed its first site, has a team of 7 staff and consultants, and opportunities to deliver homes across the city.

This would not have been possible without the consistent gravitas, calm and generosity of Paul. We wish him well in his retirement. A new Chair will be elected at the first Board meeting after the AGM.



# STATEMENT OF THE VALUES AND OBJECTIVES OF THE SOCIETY

London CLT's mission is to see communities creating permanently affordable homes and transforming neighbourhoods. London CLT is not for profit. London CLT's rules state:

London CLT is a community land trust formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community of London the business of acquiring, holding, developing and leasing land and property for permanently affordable housing and asset-based community development and the business of securing the maintenance, improvement and creation of:

amenities for the community; and  
the wellbeing of those who live and work in the community; and  
to enable people to build thriving, inclusive communities through the democratic ownership and stewardship of land and other assets.

London CLT shall seek in the delivery of its objects to acquire and retain interests in land and property within the area of the community and to actively manage such ownership to:

retain asset value for the benefit of the community;  
maximise asset value for the benefit of the community; and  
recycle any gains made in dealing with the assets for the benefit of the community.

The Board has also confirmed that London CLT's mission as an organisation is:

Communities creating permanently affordable homes  
and transforming neighbourhoods




**John Hayward**  
Secretary

# STATEMENT OF THE CURRENT OBLIGATIONS OF BOARD MEMBERS TO THE BOARD AND THE SOCIETY

All Board members are paid-up members of London CLT and have no financial obligations to London CLT. They must declare their interests in all other bodies and remove themselves from discussions about matters in relation to which they have a conflict.

Every current Board member has signed the following commitments:

1. Regularly attend Board meetings, AGMs and other important related meetings.
2. Make serious commitment to participate actively in committee work.
3. Volunteer for and willingly accept assignments and complete them thoroughly and on time.
4. Stay informed about Society matters, prepare well for each meeting, and review and comment upon minutes and reports.
5. Get to know other Board members and build a collegial working relationship that contributes to consensus.
6. Be an active participant in the Board's annual evaluation and planning efforts.
7. Participate in fundraising for the Society.
8. Be willing to actively and responsibly promote the Society in the media and in public.



**John Hayward**  
Secretary



# BOARD MEMBERS

Directors on the Board, <i>including skills, qualities and experience</i>			
Chair	S	Paul Regan	Reappointed September 2019 (retiring at AGM) <i>Church relationships; Experience of chairing organisation in the process of growing</i>
Treasurer	S	Theresa Broome	Appointed December 2018 <i>Chartered accountant with experience in financial systems and reporting</i>
Secretary	C	John Hayward	Reappointed September 2019 <i>Database and membership. Non-profit governance and operations</i>
	R	Suzanne Gorman	Reappointed September 2017 (resigned 23 July 2020) <i>Resident of St Clement's; Graphic design</i>
	R	Juliet Can	Reappointed September 2019 <i>Resident of St Clement's; Business and arts space</i>
	R	Daniel Granberg	Reappointed September 2019 <i>Resident of St Clement's; Financial risks analysis</i>
	R	Bethan Lant	Reappointed September 2018 <i>Resident of St Clement's; Community and political campaigning</i>
	R	Marcel Reinard	Appointed September 2019 <i>Resident of St Clement's; Creative and film direction and project management</i>
	C	Matthew Bolton	Reappointed September 2018 (resigned 17 August 2020) <i>Political strategy; community organising; Relationship with Citizens UK</i>
	C	Janet Emmanuel	Reappointed September 2018 <i>Community leadership; Local connection to community, Lewisham</i>
	C	Razia Khanom	Appointed September 2019 <i>Community leadership; Local connection to community, Lambeth</i>
	C	John Clifton	Appointed September 2018 <i>Local connection to community, Redbridge; Community organising and political campaigning</i>
	S	Daniel Wilson-Dodd	Reappointed September 2019 <i>Experience in analysing and structuring social investments</i>
	S	Dave Smith	Reappointed September 2017 <i>Public relations strategy; Housing industry experience and relationships</i>
	S	Rupesh Varsani	Appointed September 2019 <i>Development strategy; Development management</i>

**Co-optees** - Andy Schofield (co-optee with social enterprise and impact measurement expertise)

We would particularly like to encourage people with the following expertise and experience to apply to be on London CLT’s board: **Development management, including at least 5 years’ experience of delivering residential developments.**



**Paul Regan**  
Chair

# POLICY FOR ADMITTING NEW MEMBERS

London CLT currently has around 3,500 members who are organised into three classes of membership:

**Resident members**

**Community members**

**Stakeholder members**

The Resident class is explained below.

The Community class consists of local residents, community workers (including teachers and church workers) and business people local to London CLT’s campaign areas and project sites who see a need for affordable housing in their area and are interested in the quality of site development and any community facilities, both in terms of the initial design and planning process and in terms of the ongoing maintenance and management.

Stakeholder members are the guardians of the public interest in London CLT’s work. They are representatives of society as a whole, people who see the “bigger picture” as a result of their profession or post, and include institutional funders of London CLT, public officials, non-profit providers of housing and social services, academics, solicitors, accountants.

Each class appoints 5 Board members from amongst its membership.

At the 2018 AGM the members adopted the following guidelines:

**On membership of the Resident class:**

1. All buyers of the Society’s homes will be required to apply for membership of the Society and will become members in the Resident class.
2. The Society will encourage its residents to consider standing for Board membership.
3. Members of the Society who are shown as being in the Resident class may change to Community class members or remain as Resident class members hoping to gain a home in a future project of the Society, but members of the Resident class will only be entitled to stand for membership of the Board if they are resident in one of the Society’s completed homes.



4. Applicants for the Resident class of membership will be asked to specify the completed project in which they are resident or the project areas in which they would be interested in acquiring a home from the Society.

Those of the Society's actual residents who are not elected to the Board will be encouraged to feed into Board discussions through site-specific sub-committees.

#### **On membership of the Community class:**

1. All new applicants for membership of the Community class shall state whether they live or work in a specified project area of the Society.
2. No members of the Community class shall be resident in any of the Society's homes.

#### **On membership of the Stakeholder class:**

1. All new applicants for membership of the Stakeholder class shall state whether they are representatives of institutional funders of the Society, public officials, non-profit providers of housing and social services or describe their profession or role that means they can be presumed to speak for the public interest.
2. No members of the Stakeholder class shall be resident in any of the Society's homes.

All members (in whichever class of membership) must subscribe to one £1 membership share. If there is a community share issue under rule C36 then the prospectus for such issue of shares shall refer to this admission policy.

#### **Member recruitment**

The Board welcomes new members in both existing and new project areas, and supports membership drives by local groups.

#### **Change of membership class**

The Society has a separate policy for the transition of members from one membership class to another.



**John Hayward**  
Secretary



London CLT's AGM, 2018.



# FINANCES

## TREASURER'S REPORT

### Year to 31 March 2020

The year to 31 March 2020 marks a watershed moment in the story of London Citizen' CLT Limited with the penultimate property sale at the St Clements development. With just one sale in 2020 compared with 10 units in the previous year, our income fell from £2,197,547 in 2019 to £262,551 in 2020 and gross surplus fell from £390,679 to £105,028 over the same period. The final unit at St Clements was sold in the year to 31 March 2021 delayed in part by the Covid-19 outbreak. Whilst the organisation has a significant pipeline of work for the future, there have been serious delays in progressing the sites due to a number of external factors which the Board has taken steps to address.

Income included £80,311 (2019: £61,152) from our ongoing participation in the SHICC (Sustainable Housing for Inclusive and Cohesive Cities) research project which has been extended until September 2021.

Overheads fell in the period from £368,768 to £335,046 reflecting savings in staff costs and grants to Citizens UK offset in part by increases in professional, consultancy and office costs. The Board decided that no interest would be paid on the Withdrawable shares due to the delay in the progress of the Brasted Close project. (2019: £23,989).

The net deficit after tax for the financial year was £222,261 (2019 surplus: 7,552) reflecting the severe delays in bringing our pipeline projects onstream.

Within our balance sheet, our Work in progress increased from £304,578 at March 2019 to £385,768 at 31 March 2020 whilst cash balances reduced from £308,397 to £121,194 over the same period. Included within Creditors are deferred grants of £77,855 which are available in future periods.

### Finance & Risk Subcommittee

LCLT has an active Finance & Risk subcommittee which has met formally on 5 occasions since the date of the last AGM and is in regular contact to provide advice and support outside of the formal meeting structure. The subcommittee has overseen and encouraged improvements in regular management accounts reporting and the development of financial modelling and forecasting tools. Subcommittee members have participated in joint Finance/Development workshops to further improve our processes and continue to support the professional development of our Finance staff.

### Plans for the future

In July 2020 LCLT signed the first Community Housing Fund grant agreement with the GLA in respect of



its Cable Street site, was granted Investment Partner status by the GLA and was successful in negotiating significant uplift in the grant funding per unit for its Brasted Close project. Whilst the Board celebrates these major achievements it recognises that delays in the administration and disbursement of the Community Housing Fund have had a dramatic impact on the timing of our future income streams which is not conducive to the regular delivery of permanently affordable homes and matching of income and core expenditure within Community Land Trusts. Put simply, the pace of delivery must accelerate in future so LCLT has commenced a six-month 'Business Planning Exercise' in the current year which aims to transform LCLT from a 'campaigning' organisation with its roots in Citizens UK to a 'campaigning and execution' organisation covering the bandwidth of developing local leaders, campaigning, policy lobbying, business operations, execution and long-term stewardship operating within the parameters of a financially sustainable model. Grant funding has been obtained to underwrite costs of the review.

The Board is confident that LCLT remains a going concern and has obtained a Covid Business Interruption Loan (CBIL) of £370k from the Social Investment Business (SIB) Resilience and Recovery Fund to lessen the impact of any temporary disruptions to cashflow arising from delays in the receipt of approved grants.

#### **Covid-19 and financial reporting**

In our normal cycle, the financial accounts for the year to 31 March 2020 would be signed and audited before presentation to the AGM. The 31 March 2020 accounts attached to this report are final but the Auditors' report remains unsigned pending a final additional Going Concern review by the technical committee of our Auditors HW Fisher. This additional review is now standard practice for year ends impacted by the Covid-19 outbreak but has created a further stage in the approval process. The Auditors have informed LCLT that they are satisfied with the figures in the accounts. The signed audit report will be included when the accounts are filed with the Financial Conduct Authority following the AGM, under reference 30238R (<https://mutuals.fca.org.uk/home/index>).



**Theresa Broome**  
Treasurer

**LONDON CITIZENS' CLT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



LONDON CITIZENS' CLT LIMITED

INFORMATION

Board members	P Regan	
	D Smith	
	J Emmanuel	
	J Hayward	
	M Bolton	
	S Gorman	
	R Varsani	(Appointed 24 September 2019)
	M Reinard	(Appointed 24 September 2019)
	K Khanom	(Appointed 24 September 2019)
	J Clifton	
	T Broome	
	B Lant	
	D Granberg	
Secretary	J Can	
	D Wilson-Dodd	
Registered number	30238R	
Registered office	136 Cavell Street	
	London	
	E1 2JA	
	United Kingdom	
Auditor	HW Fisher	
	Acre House	
	11-15 William Road	
	London	
	NW1 3ER	
United Kingdom		

LONDON CITIZENS' CLT LIMITED

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LONDON CITIZENS' CLT LIMITED

BOARD MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The board members present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the society continued to be that of the preparation and provision of affordable housing.

Board members

The board members who held office during the year and up to the date of signature are as follows:

P Regan	
C Tuitt	(Resigned 24 September 2019)
D Smith	
J Emmanuel	
J Hayward	
M Bolton	
S Gorman	
R Varsani	(Appointed 24 September 2019)
M Reinard	(Appointed 24 September 2019)
K Khanom	(Appointed 24 September 2019)
J Clifton	
T Broome	
B Lant	
D Granberg	
J Can	
D Wilson-Dodd	

Statement of disclosure to auditor

So far as each person who was a board member at the date of approving this report is aware, there is no relevant audit information of which the society's auditor is unaware. Additionally, the board members individually have taken all the necessary steps that they ought to have taken as board members in order to make themselves aware of all relevant audit information and to establish that the society's auditor is aware of that information.

On behalf of the board



P Regan  
Board member  
Date: 21 September 2020



T Broome  
Board member  
Date: 21 September 2020



J Hayward  
Secretary  
Date: 21 September 2020

LONDON CITIZENS' CLT LIMITED

BOARD MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The board members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the board members to prepare financial statements for each financial year. Under that law the board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The board members 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 society and of the income and expenditure of the society for that period.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and to enable 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 society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# LONDON CITIZENS' CLT LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LONDON CITIZENS' CLT LIMITED

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#### Opinion

We have audited the financial statements of London Citizens' CLT Limited (the 'society') for the year ended 31 March 2020 which comprise the income and expenditure account, the balance sheet, the statement of changes in equity and 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 United Kingdom Accounting Standards, including 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 society's affairs as at 31 March 2020 and of its income and expenditure 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 society 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society'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.

#### Other information

The board members are responsible for the other information. The other information comprises the information included in the annual 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 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 where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

# LONDON CITIZENS' CLT LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF LONDON CITIZENS' CLT LIMITED

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#### Responsibilities of board members

As explained more fully in the board members' responsibilities statement, the board members are 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 members determine 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 members are responsible for assessing the society'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 members decide to liquidate the society or to cease operations, or have no realistic alternative but to do so.

#### 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

**HW Fisher**

#### Chartered Accountants

##### Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

21 September 2020



# LONDON CITIZENS' CLT LIMITED

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
<b>Income</b>		262,551	2,197,547
Cost of sales		(157,523)	(1,806,868)
<b>Gross surplus</b>		105,028	390,679
Administrative expenses		(335,046)	(368,768)
Other operating income		5,963	11,424
<b>Operating (deficit)/surplus</b>		(224,055)	33,335
Interest payable and similar expenses		-	(23,989)
<b>(Deficit)/surplus before taxation</b>		(224,055)	9,346
Tax on (deficit)/surplus		1,794	(1,794)
<b>(Deficit)/surplus for the financial year</b>		(222,261)	7,552

# LONDON CITIZENS' CLT LIMITED

## BALANCE SHEET AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	3		-		957
<b>Current assets</b>					
Stocks		385,768		304,578	
Debtors falling due after more than one year	4	2,140		13,000	
Debtors falling due within one year	4	21,945		5,780	
Cash at bank and in hand		121,194		308,397	
		531,047		631,755	
<b>Creditors: amounts falling due within one year</b>	5	(209,531)		(89,325)	
<b>Net current assets</b>			321,516		542,430
<b>Total assets less current liabilities</b>			321,516		543,387
<b>Provisions for liabilities</b>			(162)		(162)
<b>Net assets</b>			321,354		543,225
<b>Reserves</b>					
Called up share capital			492,660		492,270
Income and expenditure account			(171,306)		50,955
<b>Members' funds</b>			321,354		543,225

The financial statements were approved by the board members and authorised for issue on 21 September 2020 and are signed on its behalf by:



P Regan  
Board member



J Hayward  
Secretary



T Broome  
Board member

Registered No. 30238R



## LONDON CITIZENS' CLT LIMITED

### STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 MARCH 2020**

	Share capital	Income and expenditure	Total
Notes	£	£	£
<b>Balance at 1 April 2018</b>	492,133	43,403	535,536
<b>Year ended 31 March 2019:</b>			
Profit and total comprehensive income for the year	-	7,552	7,552
Issue of share capital	137	-	137
<b>Balance at 31 March 2019</b>	492,270	50,955	543,225
<b>Year ended 31 March 2020:</b>			
Loss and total comprehensive income for the year	-	(222,261)	(222,261)
Issue of share capital	390	-	390
<b>Balance at 31 March 2020</b>	492,660	(171,306)	321,354

## LONDON CITIZENS' CLT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2020**

#### 1 Accounting policies

##### Company information

London Citizens' CLT Limited is a Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014, limited by shares and incorporated in England and Wales.

The registered office address is 136 Cavell Street, London, E1 2JA.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefit Societies Act 2014. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The board members have considered the effect of the Covid-19 outbreak. The board members recognise that the outbreak has caused disruption and delays to ongoing development projects which has had a negative cash-flow impact. However, having considered the availability of grant funding and government-backed loans to support the society until the development projects are completed, the board members are confident that the society has adequate resources so it can continue in operation for a period of at least twelve months from the date of approval of these financial statements. Thus the board continues to adopt the going concern basis of accounting in preparing these financial statements.

#### 1.3 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office equipment	3 years straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

#### 1.6 Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on the normal level of activity. Provisions are made for any foreseeable losses where appropriate. Work in progress includes finished properties held for resale.



## LONDON CITIZENS' CLT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies (Continued)

##### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Classification of financial liabilities

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

##### Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### 1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 2 Employees

The average monthly number of persons (including board members) employed by the society during the year was 7 (2019 - 8).

## LONDON CITIZENS' CLT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 3 Tangible fixed assets

Plant and machinery etc  
£

##### Cost

At 1 April 2019 and 31 March 2020

2,869

##### Depreciation and impairment

At 1 April 2019

1,912

Depreciation charged in the year

957

At 31 March 2020

2,869

##### Carrying amount

At 31 March 2020

-

At 31 March 2019

957

#### 4 Debtors

2020 2019

##### Amounts falling due within one year:

£ £

Trade debtors

432 -

Corporation tax recoverable

1,794 -

Other debtors

19,190 2,714

Prepayments and accrued income

529 3,066

21,945 5,780

2020 2019

##### Amounts falling due after more than one year:

£ £

Other debtors

2,140 13,000

##### Total debtors

24,085 18,780

#### 5 Creditors: amounts falling due within one year

2020 2019

£ £

Trade creditors

49,541 4,551

Corporation tax

- 1,957

Other taxation and social security

1,012 -

Other creditors

49,908 51,603

Accruals and deferred income

109,070 31,214

209,531 89,325



**LONDON CITIZENS' CLT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**6 Related party transactions**

No individuals became board members on agreeing to acquire properties (2019 - 3). The value of properties sold in the year to these individuals was £nil (2019 - £652,000).

No board members were rented properties on a temporary basis (2019 - 1).

During the year, one board members was paid £9,000 (2019 - £2,250) for their consultancy services.

We would like to thank both funders and partners for their support and collaboration. There are too many to list all of them here, but a special thanks goes to the following:

- Citizens UK
- Greater London Authority
- Transport for London
- The Community-led Housing Hub London
- Interreg North-West Europe
- The National CLT Network
- Access Foundation
- London Catalyst
- Social Investment Business FM Limited
- Big Issue Invest
- Joseph Rowntree Foundation
- CAF Bank



Brasted Close, London CLT's second project, which has planning permission and is scheduled to start on site in April 21





# **ANNUAL REPORT & ACCOUNTS**

2020