

REGISTERED COMPANY NUMBER: **8353064** (England and Wales)

REGISTERED CHARITY NUMBER: **1153930**

CHIPPING COMMUNITY LAND TRUST

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

CHIPPING COMMUNITY LAND TRUST

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CHIPPING COMMUNITY LAND TRUST

OFFICERS

FOR THE YEAR ENDED 31 JANUARY 2022

DIRECTORS AND TRUSTEES

P. W. Smith Acting Chairman
A. S. Foot
P. A. Hallett
A. W. Harrison
M.A. Hayhurst
H. McCabe
D. J. Slater
J. J. T. Weld-Blundell

COMPANY SECRETARY

Dr M. J. Hawkins

REGISTERED OFFICE

Moss Lane House
Green Lane
Chipping
Preston
PR3 2TQ

INDEPENDENT EXAMINER

Humphrey Johnson FCA

43 Danesway
Walton le Dale
Preston
PR5 4UQ

REGISTERED COMPANY NUMBER

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CHIPPING COMMUNITY LAND TRUST

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JANUARY 2022

The Trustees who are also Directors of the Charity for the purposes of the Companies Act 2006 present their report with the financial statements of the Charity for the year ended 31 January 2022. The Trustees have adopted the provisions of the Statements of Recommended Practice (SORP) 'Accounting and Reporting of Charities' issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Chipping Community Land Trust (Chipping CLT, or the CLT) is controlled by its governing document the articles and memorandum of association and constitutes a private company limited by guarantee as defined by the Companies Act 2006 and incorporated on 09 January 2013.

Chipping Community Land Trust was registered as a Charity on 24 September 2013 and existing governance documents and procedures are reviewed to ensure that they fully comply with the up to date guidance from the Charity Commission.

Local representation is ensured by the following balance of appointments. The Trustees comprise at least four and not more than ten individuals (excluding co-optees) of which three Trustees may be Brabin's Almshouses Trustees, three may be Parish Trustees comprising one from each of the three parishes Bowland-with-Leagram, Chipping and Thornley-with-Wheatley in the area of benefit, and three may be Community Trustees. A tenth Trustee may be appointed by a relevant Association acting in partnership or sharing a common interest with the Community Land Trust. This appointment is not filled at the present time.

The Trustees who have held office during the year and since the year end are shown on page 3.

Principal Risks and Uncertainties

Damage, failure of services or unforeseen deterioration in the Trust's properties may render them unfit for rented occupancy for a sustained period. The Trust attempts to maintain an adequate level of Property Owner's insurance at all times to safeguard against the costs of repair and business interruption.

Income from affordable rents which are capped by housing regulation may be insufficient to maintain the properties to a good standard.

There may be insufficient demand to keep the properties sufficiently occupied to meet the Trust's financial obligations.

There may be a lack of members from the communities in the area of benefit willing to become Trustees and which could hinder the management of the Trust's commitments.

REVIEW OF ACTIVITY

This last year has been one of consolidation for the Trust, seeing all four of its affordable bungalows remaining let throughout the year to local people. With little maintenance being required, the Trust is looking to build its planned reserves to cope with future maintenance requirements, not only to the properties themselves but also to the shared areas. Starting to create a suitable maintenance fund has been possible by keeping its overheads to a minimum, by managing the properties itself and, more particularly, because of the substantial grant received from the Ministry of Housing Communities and Local Government's Community Housing Fund towards the properties' purchase in 2020. The Trust continues to be grateful to Ribble Valley Borough Council, through whom the grant was made available.

The Trust has benefited from a £40,000 grant from the Rural Community Energy Fund, which it has used to fund an initial feasibility study into the possible establishment of some form of community wide low carbon heating scheme for properties in the area.

With the use of carbon-based fuels being phased out over the coming years, the Trust is keen to investigate whether a community-based scheme can be implemented for villages such as Chipping, which are off the gas grid. The Trust has been working closely with Chipping Parish Council on the project, who now is undertaking a second more detailed phase of investigation that will build on the findings of the initial study. The aim remains to replace residential and business heating in the village, whose properties are mostly reliant upon oil, with a renewable energy source. The challenge of finding a workable and economic solution is not to be underestimated particularly for Chipping's stone built properties in the Conservation Area.

The Trust also continues to look at other potential projects within its wider area of benefit, although funding is always likely to be the major obstacle to overcome.

FINANCIAL REVIEW

The objects of the Company are to provide assets of benefit to the community including affordable housing in the Bowland-with-Leagram, Chipping and Thornley-with-Wheatley area.

In 2021-22 Chipping CLT produced a surplus of £12,862 (£1,331 2020-21) from its activities as a landlord resulting from its purchase in October 2020 of the freehold of four units from the seven affordable housing properties made available by Chipping Homes on its Fellside development.

The acquisition was facilitated by receipt of a substantial housing grant from the RVBC and the balance met by loans from the Brabin's Almshouses Charity and St Bartholomew's Church. A contribution to the CLT's legal fees and other costs of acquisition was made by Chipping Homes and the remaining balance of costs was fully expensed from the current account.

The Grant has not been included as income but is carried on the Balance Sheet subject to a First Charge by RVBC over the properties. Loan interest and capital repayments to Brabin's Almshouses are made by way of a Mortgage Agreement and interest on the Loan from St Bartholomew's is paid as a share of annual net rental income.

Income and expenditure are recognised on the accruals basis. Provisions are made for the share of net rental income owing to St Bartholomew's at the year end. Income by way of a service charge on tenants and other owner occupiers is set aside on a regular basis to help meet the CLT's responsibility for maintaining the shared areas within the whole development of affordable properties at Wolfs Fell Close. Amounts of 15% and 10% are also set aside from rental income for the maintenance of the properties and the management of the let properties respectively.

The closing Net Asset Value of the CLT at 31 January 2022 stood at £14,492 (£1,631 2020-21) after allowing for properties at cost and the long term financial liabilities on the balance sheet.

The Company has not revalued its interest in the Head Lease of Flats at 33 Kirklands, Chipping.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with UK GAAP.

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its surplus or deficit for that period. In preparing those financial statements, the Directors are required to

- Select suitable accounting policies and apply them consistently
- Make judgments and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD

Paul W Smith

Andrew S Foot

13 July 2022

CHIPPING COMMUNITY LAND TRUST

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF CHIPPING COMMUNITY LAND TRUST

I report on the accounts for the year ended 31 January 2022 which are set on pages 8 to 12. I am qualified to undertake this examination as a Fellow of The Institute of Chartered Accountants in England and Wales.

RESPECTIVE RESPONSIBILITIES

The Trustees (who are also the directors of the company for the purposes of company law) of Chipping CLT are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

The Trustees consider that an audit is not required for this year - neither under Part 16 of the 2006 Act nor under section 144(2) of the Charities Act 2011 (the 2011 Act). An independent examination is required.

Having satisfied myself that that Chipping CLT is not subject to audit either under company law or charity law and that it is required to provide additional information and submit the accounts to an independent examination it is my responsibility to:

- (1) examine the accounts under Section 145 of the 2011 Act
- (2) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (3) to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by Chipping CLT and a comparison of the accounts presented with these records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination of the accounts. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act;
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland)

Dated 11 January 2023 and signed by

Humphrey Johnson
Chartered Accountant

CHIPPING COMMUNITY LAND TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2022

	General Fund £	Maint & Manage Fund £	Shared Areas Fund £	Total Funds 2022 £	Total Funds 2021 £
Income					
Income from rents	18,907.20			18,907.20	4,670.61
Contributions to Shared Areas Fund			1,883.89	1,883.89	169.55
RCEF Grant for Low Carbon project	40,000.00			40,000.00	
Retained from income					
Property Maintenance	(2,836.08)	2,836.08			
Tenancy Management	(1,890.72)	1,890.72			
Bank interest	7.17			7.17	0.92
Total income	54,187.57	4,726.80	1,883.89	60,798.26	4,841.08
Expenditure					
Administration of let properties	40.00			40.00	487.91
Property insurance	720.72			720.72	240.32
Directors & Officers insurance	200.00			200.00	-
NCLTN membership	150.00			150.00	-
General administration and other corporate costs	13.00			13.00	27.40
Project Consultancy fees	40,000.00			40,000.00	-
Bank charges	22.10			22.10	3.50
Property Maintenance expensed		102.00		102.00	-
Tenancy Management expensed					
Shared Areas maintenance expensed					
Net Income before provisions and finance charges	13,041.75	4,624.80	1,883.89	19,550.44	4,081.95
Provision for St Bartholomew's share of net income	3,309.40			3,309.40	796.44
Brabin's Mortgage interest	3,379.46			3,379.46	579.68
Exceptional items					
Property acquisition costs Legal fees, etc				-	4,044.99
Property acquisition costs Surveyor's completion				-	330.00
Less Contribution to costs by Chipping Homes				-	(3,000.00)
Net Surplus for the Year	6,352.89	4,624.80	1,883.89	12,861.58	1,330.84
Reserves brought forward	293.64	1,167.65	169.55	1,630.84	300.00
Reserves carried forward	6,646.53	5,792.45	2,053.44	14,492.42	1,630.84

CHIPPING COMMUNITY LAND TRUST

BALANCE SHEET AT 31 JANUARY 2022

	General Fund £	Maint & Manage Fund £	Shared Areas Fund £	Total Funds 2022 £	Total Funds 2021 £
Fixed Assets					
Interest in Head Lease at 33 Kirklands (2017 Valuation)	300.00			300.00	300.00
Freehold Properties at Fellside (at cost 2020)	325,000.00			325,000.00	325,000.00
Total Fixed Assets	325,300.00			325,300.00	325,300.00
Current Assets					
Cash at bank	16,875.89	5,894.45	2,053.44	24,823.78	11,005.22
Current Liabilities					
Account items post year end	2,365.00	102.00		2,467.00	
St Bartholomew's Share of Net Rental Income	3,309.40			3,309.40	796.44
Total Assets less Current Liabilities	336,501.49	5,792.45	2,053.44	344,347.38	335,508.78
Long term Liabilities					
RVBC Grant	157,532.00			157,532.00	157,532.00
St Bartholomew's Loan	95,000.00			95,000.00	95,000.00
Brabin's Trust Mortgage Loan	77,322.96			77,322.96	81,345.94
Total Liabilities exceeding one year	329,854.96			329,854.96	333,877.94
Net Assets	6,646.53	5,792.45	2,053.44	14,492.42	1,630.84
Reserves					
General Fund				6,646.53	293.64
Maintenance & Management Fund				5,792.45	1,167.65
Shared Areas Fund				2,053.44	169.55
Total Reserves				14,492.42	1,630.84

CHIPPING COMMUNITY LAND TRUST

CASH FLOW FOR YEAR ENDED 31 JANUARY 2022

	2022 £	2021 £
Net surplus for the Year	12,861.58	1,330.84
Settlement of St Bartholomew's Share of 2021 Net Rental Income	(796.44)	-
Provision for St Bartholomew's current Share of Net Rental Income	3,309.40	796.44
Other Account Current Liabilities	2,467.00	
	<hr/>	<hr/>
Cash flow from Operating Activities	17,841.54	2,127.28
Investing Activities		
Purchase of Properties at Fellside		(325,000.00)
Financing Activities		
RVBC Housing Grant		157,532.00
Loan from St Bartholomew's		95,000.00
Mortgage Loan from Brabin's Almshouses		82,000.00
Repayment of Mortgage Loan Capital	(4,022.98)	(654.06)
	<hr/>	<hr/>
Cash Flow from Financing Activities	(4,022.98)	333,877.94
	<hr/>	<hr/>
Increase/(Decrease) in Cash	13,818.56	11,005.22

The Trustees of Chipping CLT consider that the Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2022.

The members have not required the Company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

The Trustees who are also the Directors of the Company acknowledge their responsibilities for

- (1) Ensuring the company keeps accounting records that comply with Section 386 and 387 of the Companies Act 2006
- (2) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with Sections 393 to 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as is applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with FRS102 as applied to Smaller Entities by Section 1A of the Financial Reporting Standard 2008.

The financial statements have been approved by the Trustees on 13 July 2022 and signed by

ON BEHALF OF THE BOARD

Paul W Smith

Andrew S Foot

The image shows two handwritten signatures in blue ink. The first signature, for Paul W Smith, is a stylized, cursive 'PWS'. The second signature, for Andrew S Foot, is a more fluid, cursive 'ASF'. Both signatures are written over horizontal dotted lines that serve as guides for the signatories.

CHIPPING COMMUNITY LAND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities, April 2008 and in accordance with the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

All income and expenditure has been recognised on the accruals basis.

Freehold properties have been capitalised at cost.

The Housing Grant made available by RVBC remains conditional on the Company meeting its obligations to provide affordable housing and accordingly has not been released to income.

Contingent Liability

Chipping CLT has an informal agreement with Brabin's Almshouses (the Brabin's Trust) to repay without interest the sum of £9,548 representing costs that the Brabin's Trust incurred in setting up the Chipping CLT in 2013 and endowing it with an interest in the Head Lease of Flats 1-7, 33 Kirklands, Chipping. To date Chipping CLT has made no payments on this account although a schedule of repayments to be made within the current period of the Mortgage Loan from the Brabin's Trust is intended.

Company Status

Chipping CLT is a private company limited by guarantee and does not have a share capital.