

**Leeds Action To Create Homes Limited**  
**Operating As LATCH**  
**Annual Report And Financial Statements**  
**For The Year Ended 31 March 2022**

# LEEDS ACTION TO CREATE HOMES LIMITED

## OPERATING AS LATCH

### LEGAL AND ADMINISTRATIVE INFORMATION

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Society number:	IP27643R
Management Committee:	David Clark Dennis Bernard Stephen Boyle (Chair) Nic Croker Kat Doneghan Keith Gibson Manjeet Gahir Maggie Gjessing Samia Hussien Stephen Oxley (resigned 21 November 2021) Carol White David Campbell (appointed 12 February 2022)
Society Secretary:	Sue Burgess
Chief Executive:	James Hartley
Registered office	176 Chapeltown Road Leeds LS7 4HP
Bankers	Virgin Money 6 Otley Road Leeds LS6 2AA
Auditor	Azets Audit Services Limited Triune Court Monks Cross Drive York YO32 9GZ
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG

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# LEEDS ACTION TO CREATE HOMES LIMITED OPERATING AS LATCH CONTENTS

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# **LEEDS ACTION TO CREATE HOMES LIMITED**

## **OPERATING AS LATCH**

### **MANAGEMENT COMMITTEE'S REPORT**

#### ***FOR THE YEAR ENDED 31 MARCH 2022***

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The Board of Trustees, who are also the Management Committee for the purposes of reporting under the Co-operative and Community Benefit Societies Act 2014, present their report and the audited financial statements for the year ended 31 March 2022.

#### **Reference and Administrative Details of the Society, its Management Committee and Advisors**

Leeds Action to Create Homes Limited ("LATCH") is a Charitable Community Benefit Society with charitable objectives incorporated under the Co-operative and Community Benefit Societies Act 2014 with the registration number 27643R. The society has charitable exemption with H M Revenue and Customs.

The Charitable Community Benefit Society was registered with the FCA on the Mutuals Public Register on the 16th July 1992. The Society is governed by the rules that were agreed at incorporation and recorded on the FCA's Mutuals Public Register.

The Society allows members to join with the requirement of purchasing a share of the nominal value £1. Each member shall only hold one share within the Society. All persons who are in receipt of training or employment by the Society shall be eligible for membership of the Society.

The society information on the Legal and administrative page forms part of this report.

#### **Objectives and activities**

In line with our organisational mission LATCH continues to provide housing and support to people who are vulnerable and in housing need. Throughout the year we received a significant number of applications for our supported housing service.

We were able to help 47 people, through the re-letting of 23 of our existing homes and letting 5 newly developed homes. In total during the year LATCH provided housing and support to 225 LATCH tenants and their dependents.

#### **The main objectives for the year were:**

- Purchase and refurbish 8 new properties.
- Launch and secure the community share issue funds.
- Establish the coach house project.
- Make progress with Registered Provider status registration.
- Complete the property renovations works in partnership with Connect Housing creating 3 new homes for future LATCH tenants.
- Deliver a range of volunteering and training opportunities to LATCH clients and others.
- Continue to provide a high-quality support service to LATCH.

# **LEEDS ACTION TO CREATE HOMES LIMITED**

## **OPERATING AS LATCH**

### **MANAGEMENT COMMITTEE'S REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **Achievements and performance**

Through 2021-22 we continued to purchase and refurbish formerly empty homes. During the financial year we purchased 8 properties in line with our target and refurbishments were completed on 5 properties and these were also let to our tenants within the financial year. The remaining 3 properties will be completed in the coming financial year. These new properties are now occupied by formerly homeless people who are being supported to have successful tenancies.

The Latch Community share issue was launched in June 2021 and closed in August 2021. The issue was a magnificent success and raised £548,050 for our property development projects. We now have 137 investors and new members and with their support we were able to continue to develop properties and ensure we continue to create homes of the highest quality.

We continue to add to our unique range of services and opened up our new holistic and creative hub, the Coach House, in July. The community hub supports our tenants and is also open to members of the local Leeds community. It aims to build skills and develop confidence through finding meaningful activity and supporting people to achieve their personal goals. Our first services include a psychotherapy service, Sunday Bike Fix and women's wellbeing workshop. The bike workshop is run in partnership with local volunteer bike mechanics and focuses on helping people to repair their own bikes. More than 30 bikes have been repaired so far. We've received fantastic feedback on all these services.

One ambition for the year was to make progress with regards to moving toward Registered provider status. We did not manage to do this but this will be a key target for the coming 12 months.

The partnership we had with Connect Housing to create new homes for homeless people was completed in the year. Of the 3 properties Latch were looking to develop we managed to complete 2 with the remaining one completed by Connect Housing. All these properties are now let and Latch is supporting the new tenants in these properties.

During the 8 homes property refurbishment project the provision of training opportunities was a key aim. In regards to this we recruited 8 trainees who worked on several of the refurbishment properties. The trainees completed a range of outcomes comprising in-house skills training, CSCS card registration and health and safety training.

The support we have provided over the year has resulted in substantial impact with regards to the housing and socio-economic outcomes for our tenants. The vast majority of tenants moving on from Latch have moved onto independent living and also achieved a number of additional outcomes with regards to health and wellbeing, financial management, employment and skills etc. This work has been complemented by that of our coach who has been working with tenants in new and innovative ways.

We continue to receive a high volume of applications for housing and support and we are doing our very best to help as many people as possible. However, the demand for our services continues to be greater than the supply of properties available and we plan to continue to increase property numbers to remedy this.

The Property Management Service has continued to improve in all areas, with all repairs handled satisfactorily, compliance with legal requirements has been fully met and long-term maintenance tasks completed. We met and surpassed our 2% target with regards to rental income lost to arrears; achieving a smaller loss of 0.7%. We did not meet our voids target of 6 weeks, with actual void turnaround average being 6.2 weeks.

**LEEDS ACTION TO CREATE HOMES LIMITED  
OPERATING AS LATCH  
MANAGEMENT COMMITTEE'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Financial review**

The total surplus reported for the year is £124,811 (2021: £15,179 deficit), including capital funding of £261,405 (2021: £20,721). The capital funding this year was received from a Leeds City Council Grant. It was expended on the renovations of properties held as fixed assets which have previously been purchased by the society.

The society's general funds at 31 March 2022 totalled £4,221,831 (2021: £3,562,508), although much of this is tied up in fixed assets. Free reserves (calculated as unrestricted general reserves, less unrestricted general fixed assets) were £628,188 at 31 March 2022; of which £583,548 was held as cash at 31 March 2022. £548,050 was raised through a Community Share Issue during the year and to meet the commitments made to our investors, the community shares funds will be utilised for the purchase and refurbishment of additional properties.

The management committee has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be at a level which matches the financial commitments it would be required to honour in the event of a calamitous event that resulted in LATCH needing to close down within a one/two month period. The free reserves at 31 March 2022 were £628,188. These funds significantly exceed the target at the year end due to the community share issue in the year. The management committee reviews its reserves policy annually.

Principal funding sources this year were from Leeds City Council Right to Buy and rental income.

**Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The charitable society does not actively raise funds from the public either directly or via use of an agent, according no such amounts are presented in the financial statements for the year under review.

Given the nature of the funding of the charitable society the Trustees consider that it remains appropriate to be voluntarily bound to be regulated by the Fundraising Regulator.

The charitable society has received no complaints in relation to fundraising activity for the year under review.

# **LEEDS ACTION TO CREATE HOMES LIMITED**

## **OPERATING AS LATCH**

### **MANAGEMENT COMMITTEE'S REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **Risk**

With regards to the management of organisational risk an up to date Risk Register is maintained and reviewed by the management committee.

In the recent review of the register the impact of the current cost of living crisis on tenants and on staff were identified as key concerns.

With regards to tenants we are concerned the crisis will affect people's ability to maintain tenancies and how they may suffer physical and emotional difficulties as a result of the challenges arising from the situation. We are seeking to ensure that tenants access all the central and local government help available. We have also opened a food bank to offer some help and are exploring other funding options to help tenants with the increased costs they will face.

With regards staff we are mindful of the crisis impacting on staff both personally, through and their ability to attend and deliver services and on their moral as they try to deal with tenants in very difficult circumstances. We will continue to listen to and support staff through existing management arranges and look to help in any way we can.

An area of concern is the continuing increase in property prices and building materials. The future projects have allowed for this to a degree and but we are finding that the situation is becoming more challenging and that this may require the utilisation of contingencies within the project budgets. We remain confident that project commitments can be delivered.

Another item in the risk assessment is the impact of further interest rates increases. We have 'pressure' tested the organisations finances in regards to this and are confident that through reserves and options to adapt operating procedures we can mitigate this risk. We have also explored the option of moving some borrowing on to fixed rates and continue to monitor the suitability of doing this in light of economic events.

The Management committee have assessed the major risks to which the Society is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Plans for Future Periods**

- Purchase and refurbish 6 new properties.
- Broaden our fundraising activities to include a broader range of grant and donations and individual giving.
- Make progress with Registered Provider status registration.
- Deliver a range of volunteering and training opportunities to LATCH clients and others.
- Continue to provide a high-quality support service to Latch tenants.
- Continue to provide a high-quality Property Management service to Latch tenants.

#### **Structure, governance and management**

LATCH is governed by a constitution which defines the charitable objects and rules of the organisation. These are known as 'Rules of Leeds Action To Create Homes Limited'.

Recruitment of new members to the management committee is done through advertising and promotion of the service through local events and community contacts. There are 2 places on the committee for both tenant and volunteer representatives. All new members are required to attend a full induction session where they are provided with an induction pack. The induction provides new members with the opportunity to familiarise themselves with the history, organisational and operational structure of LATCH.

**LEEDS ACTION TO CREATE HOMES LIMITED  
OPERATING AS LATCH  
MANAGEMENT COMMITTEE'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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Committee members are encouraged to take up training opportunities which will enhance their knowledge and skills and a small budget is available for this purpose.

Management of the society is organised so that the management committee meets regularly to manage its affairs. There are 4 staff members responsible for day to day operational and strategic management. Reports, both verbal and written are submitted at bi-monthly meetings.

The management committee continues to conduct its own review of the major risks to which the society is exposed and systems are being established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. These procedures are reviewed periodically to ensure they still meet the needs of the society.

During the year 548,050 community shares of £1 each were issued at par and are non-transferable. They can be withdrawn by agreement between the LATCH and the member holding a Community shares. Each shareholder is entitled to one vote irrespective of the shareholding, such that no individual has undue influence on the society.

**Senior management remuneration policy**

The management committee consider the Chief Executive, the Property Services Manager, the Finance Manager, the Property Services Manager and the Business & Supported Housing Manager as the society's key management personnel in charge of directing and controlling the society and running and operating the society on a day to day basis.

The pay of the society's key personnel is reviewed annually and increased in accordance with the guidance contained within the LATCH Remuneration Policy and Procedures. These procedures ensure that pay increases are affordable to LATCH and are in-line with the pay rates within the sector.

**Auditor**

Azets Audit Services Limited were appointed auditor to the Co-operative and Community Benefit Societies following their acquisition of the trade of Garbutt & Elliott Audit Limited on 1 December 2021. Azets Audit Service Limited have indicated their willingness to be reappointed.



**LEEDS ACTION TO CREATE HOMES LIMITED  
OPERATING AS LATCH  
MANAGEMENT COMMITTEE'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

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**Statement of the Responsibilities of the Board of Trustees**

The Co-operative and Community Benefits Society Act 2014 requires the Board of Trustees to prepare financial statements for each financial year 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 income and expenditure for the year ended on that date. In preparing those financial statements, the Board of Trustees has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards;
- prepared the financial statements on a going concern basis, unless it is inappropriate to presume that the society will continue in business.

The Board of Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society. It is 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.

The management committee's report was approved by the Board of Management Committee.

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**Stephen Boyle**

Chair of Management Committee

Dated: ..11/10/2022..

# **LEEDS ACTION TO CREATE HOMES LIMITED**

## **OPERATING AS LATCH**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MANAGEMENT COMMITTEE OF LEEDS ACTION TO CREATE HOMES LIMITED**

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#### **Opinion**

We have audited the financial statements of Leeds Action to Create Homes Limited (the 'Society') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2022 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**

In auditing the financial statements, we have concluded that the management committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management committee with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Management committee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **LEEDS ACTION TO CREATE HOMES LIMITED**

## **OPERATING AS LATCH**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MANAGEMENT COMMITTEE OF LEEDS ACTION TO CREATE HOMES LIMITED**

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#### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the management committee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Management committee**

As explained more fully in the committee of management's responsibilities statement, the committee of management 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 they 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 committee of management 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 committee of management either intend 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of identifying irregularities, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the trustees and other management, and from inspection of the society's regulatory and legal correspondence. We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The Society is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising environmental, health and safety, employment legislation and safeguarding. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

**LEEDS ACTION TO CREATE HOMES LIMITED  
OPERATING AS LATCH  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MANAGEMENT COMMITTEE OF LEEDS ACTION TO CREATE HOMES  
LIMITED**

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To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the society to commit fraud. Our risk assessment procedures included: enquiry of trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risk that income is recognised in the wrong reporting period and
- subjective accounting estimates.

These fraud risks arise due to a potential desire to present the results in a differing light to suit management objectives.

As required by auditing standards we also identified and addressed the risk of management override of controls. We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- review of board minutes and correspondence for omissions and inconsistencies; and
- testing the recognition of income and in particular that it was complete and appropriately recognised or deferred.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

This report is made solely to the society, 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 those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services Limited*

**Laura Masheder (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services Limited**

**13/10/2022**

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**Chartered Accountants  
Statutory Auditor**

Triune Court  
Monks Cross Drive  
York  
YO32 9GZ

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Unrestricted 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
<b><u>Income from:</u></b>						
Donations and legacies	3	3,759	-	-	3,759	35,343
Charitable activities	4	897,630	-	390,570	1,288,200	973,510
Investments	5	36	-	-	36	23
Other income		12,276	-	-	12,276	11,213
<b>Total income</b>		<b>913,701</b>	<b>-</b>	<b>390,570</b>	<b>1,304,271</b>	<b>1,020,089</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	6	948,356	166,074	65,030	1,179,460	1,035,268
<b>Net income/(expenditure) before transfers</b>		<b>(34,655)</b>	<b>(166,074)</b>	<b>325,540</b>	<b>124,811</b>	<b>(15,179)</b>
Gross transfers between funds		(46,235)	358,218	(311,983)	-	-
<b>Net (expenditure)/income for the year</b>		<b>(80,890)</b>	<b>192,144</b>	<b>13,557</b>	<b>124,811</b>	<b>(15,179)</b>
<b><u>Other recognised gains and losses</u></b>						
Net movement in members capital		548,069	-	-	548,069	12
<b>Net movement in income funds</b>		<b>467,179</b>	<b>192,144</b>	<b>13,557</b>	<b>672,880</b>	<b>(15,167)</b>
Fund balances at 1 April 2021		502,676	3,059,832	317,337	3,879,845	3,895,012
<b>Fund balances at 31 March 2022</b>		<b>969,855</b>	<b>3,251,976</b>	<b>330,894</b>	<b>4,552,725</b>	<b>3,879,845</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

A fully detailed Statement of Financial Activities for the year ended 31 March 2021 is shown at note 26.

The notes on pages 13 to 30 form part of these financial statements.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		6,967,491		6,107,979
<b>Current assets</b>					
Debtors	11	179,755		116,629	
Cash at bank and in hand		583,548		66,247	
		<u>763,303</u>		<u>182,876</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(174,810)</u>		<u>(149,470)</u>	
Net current assets			588,493		33,406
<b>Total assets less current liabilities</b>			7,555,984		6,141,385
<b>Creditors: amounts falling due after more than one year</b>	14		(3,003,259)		(2,261,540)
<b>Net assets</b>			<u>4,552,725</u>		<u>3,879,845</u>
<b>Charity funds</b>					
Restricted funds	19		330,894		317,337
<u>Unrestricted funds</u>					
General unrestricted funds		421,678		502,568	
Unrestricted funds - designated	20	3,251,976		3,059,832	
		<u>3,673,654</u>		<u>3,562,400</u>	
Members' capital	17	127		108	
Community shares	18	548,050		-	
		<u>4,221,831</u>		<u>3,562,508</u>	
	21		<u>4,552,725</u>		<u>3,879,845</u>

The financial statements were approved by the Management Committee on 11/10/2022 and signed on its behalf by:



David Clark  
**Committee Member**



Keith Gibson  
**Committee Member**



Sue Burgess  
**Secretary**

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		257,430		182,161
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,042,711)		(316,218)	
Investment income received		36		23	
<b>Net cash used in investing activities</b>			<b>(1,042,675)</b>		<b>(316,195)</b>
<b>Financing activities</b>					
Purchase of own shares	16	19		12	
Proceeds from issue of community shares	22	548,050		-	
Repayment of borrowings		(40,684)		(67,067)	
Proceeds of new bank loans		848,000		-	
Repayment of bank loans		(52,839)		(49,627)	
<b>Net cash generated from/(used in) financing activities</b>			<b>1,302,546</b>		<b>(116,682)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>517,301</b>		<b>(250,716)</b>
Cash and cash equivalents at beginning of year			66,247		316,963
<b>Cash and cash equivalents at end of year</b>			<b>583,548</b>		<b>66,247</b>

# LEEDS ACTION TO CREATE HOMES LIMITED

## OPERATING AS LATCH

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Community Benefit Society information**

Leeds Action To Create Homes Limited is registered with the Co-operative and Community Benefit Societies Act 2014 as a Registered Society (Number: 27643R) with charitable status. The registered office is 176 Chapeltown Road, Leeds, LS7 4HP.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's constitution, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective for accounting periods commencing from 1 January 2019) and the Co-operative and Community Benefit Societies Act 2014. The Society is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Society. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Management committee have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus the Management committee continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Management committee in furtherance of their charitable objectives.

Designated funds relate to unrestricted funds set aside by the trustees that are in use for the purpose of maintaining and refurbishing properties.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the Society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Society has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government grants and other grants whether 'capital grants' or 'revenue grants' is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

When income is received for expenditure in a future accounting period, that amount is deferred.



**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**1 Accounting policies**

**(Continued)**

Rents receivable are stated net after voids but before provision is made for bad and doubtful debts.

Investment income is included when receivable and the amount can be measured reliably by the charity.

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligations can be measured reliably. Expenditure is classified under the following activity headings:

- Housing Support
- Housing Management
- Housing Development (previously known as Training and Property Renovations Facility)

Expenditure on charitable activities includes the costs of activities undertaken to further the purpose of the society, and their associated support costs.

The society's activities are classified as exempt for the purposes of value added tax, and the society is unable to reclaim the value added tax it suffers on its expenditure. Expenditure in these financial statements is therefore shown inclusive of value added tax.

Support costs are those functions that assist the work of the society but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Society's activities. The bases on which support costs have been allocated are set out in note 7.

**1.6 Tangible fixed assets**

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

Individual assets costing £1,000 or more are capitalised.

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

Freehold buildings	2% straight line
Leasehold buildings	Over the life of the lease
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**1 Accounting policies**

**(Continued)**

Freehold land is not depreciated.

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 recognised in net income/(expenditure) for the year.

**1.7 Impairment of fixed assets**

At each reporting end date, the Society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The Society 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 Society's balance sheet when the Society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Debtors**

Prepayments and accrued income represent time apportioned expenses or income to be recognised in a future accounting period.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**1 Accounting policies**

**(Continued)**

***Creditors, loans and provisions***

Creditors, loans and provisions are recognised where the society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial liabilities are derecognised when, and only when, obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

As permitted by paragraph 34.90 of FRS 102, Concessionary Loans are initially recognised at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

**1.10 Taxation**

The society is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the society is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising, given this, no tax charge arises.

**1.11 Staff costs**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**1.12 Pensions**

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

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**2 Critical accounting estimates and judgements**

In the application of the Society's accounting policies, the Management committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**2 Critical accounting estimates and judgements**

**(Continued)**

**Key sources of estimation uncertainty**

**Value of freehold land**

The value of freehold land and buildings in the financial statement is a key figure. The accounting policy is to not depreciate the freehold land element of land and buildings. An estimate has been made that 30% of the historical cost comprised land and the remaining 70% buildings. Accordingly, 30% of the cost of freehold land and buildings has not been depreciated.

**3 Donations and legacies**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
General donations	3,759	775
Coronavirus job retention scheme grants	-	18,346
Other income	-	16,222
	<u>3,759</u>	<u>35,343</u>

The society benefits greatly from the involvement and enthusiastic support of a number of volunteers. In accordance with FRS 102 the economic contribution of volunteers is not recognised in the accounts.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**4 Charitable activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Grant and contract income	390,570	175,036
Ancillary trading income	33,988	51,026
Rents receivable	863,642	747,448
	<u>1,288,200</u>	<u>973,510</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	897,630	798,474
Restricted funds	390,570	175,036
	<u>1,288,200</u>	<u>973,510</u>
<b>Grant and contract income</b>		
LCC Right to Buy 3	13,341	20,721
Power to Change - Community Business Fund	35,986	51,350
LCC Right to Buy 4	248,064	-
Leeds Community Foundation	40,000	-
LandAid	44,987	-
	<u>382,378</u>	<u>72,071</u>
<i>Training and property renovations</i>		
Enable communities	-	4,982
Turning Lives Around	8,192	21,053
Homeless Link	-	36,877
	<u>8,192</u>	<u>62,912</u>
<i>Housing support and management</i>		
Power to Change	-	8,000
Co-operatives UK	-	10,000
LandAid - Covid support	-	22,053
	<u>-</u>	<u>40,053</u>
<i>Support costs and overheads</i>		
	<u>390,570</u>	<u>175,036</u>

**5 Investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest receivable	36	23
	<u>36</u>	<u>23</u>

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

6 Charitable activities	Housing Support 2022		Housing Management 2022		Housing Development 2022		Total 2022		Housing Support 2021		Housing Management 2021		Housing Development 2021		Total 2021	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs	121,311		75,535		154,708		351,554		184,785		42,138		162,389		389,312	
Property: Repairs and maintenance	-		78,768		81,643		160,411		-		51,204		69,893		121,097	
Property management	9,064		102,394		6,902		118,360		3,591		75,661		9,010		88,262	
Volunteer expenses	-		-		1,741		1,741		441		-		327		768	
Training and courses	16,947		3,325		3,982		24,254		9,366		927		917		11,210	
Bad debts	-		2,858		-		2,858		-		-		-		-	
	147,322		262,880		248,976		659,178		198,183		169,930		242,536		610,649	
Share of support costs (see note 7)	121,993		190,582		196,175		508,750		64,027		200,558		151,586		416,171	
Share of governance costs (see note 7)	4,036		3,575		3,921		11,532		929		3,717		3,802		8,448	
	273,351		457,037		449,072		1,179,460		263,139		374,205		397,924		1,035,268	
<b>Analysis by fund</b>																
Unrestricted funds - general	273,351		225,933		449,072		948,356		263,139		90,414		397,924		751,477	
Unrestricted funds - Designated	-		166,074		-		166,074		-		96,880		-		96,880	
Restricted funds	-		65,030		-		65,030		-		186,911		-		186,911	
	273,351		457,037		449,072		1,179,460		263,139		374,205		397,924		1,035,268	

During the year the Training and Property Renovations Facility activity has been renamed to Housing Development, which the Trustees believe better reflect the purpose of this activity.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

7 Support costs	Support Governance costs		Total		Support Governance costs		Total		Support Governance costs		Total		Basis of allocation	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£
Staff costs	52,908	-	52,908	-	75,022	-	75,022	-	75,022	-	75,022	-	Usage	
Depreciation	183,199	-	183,199	-	160,151	-	160,151	-	160,151	-	160,151	-	Direct	
Office premises and repairs	28,942	-	28,942	-	15,764	-	15,764	-	15,764	-	15,764	-	D/U	
Office supplies and sundries	16,577	-	16,577	-	21,028	-	21,028	-	21,028	-	21,028	-	D/U	
Publicity	8,733	-	8,733	-	7,405	-	7,405	-	7,405	-	7,405	-	Usage	
Insurance	8,216	-	8,216	-	7,142	-	7,142	-	7,142	-	7,142	-	Usage	
Telephone	8,215	-	8,215	-	5,671	-	5,671	-	5,671	-	5,671	-	D/U	
Book-keeping & consultancy	33,411	-	33,411	-	22,883	-	22,883	-	22,883	-	22,883	-	D/U	
Motor and travel costs	25,039	-	25,039	-	18,904	-	18,904	-	18,904	-	18,904	-	D/U	
Legal fees	45,012	-	45,012	-	588	-	588	-	588	-	588	-	Direct	
Loan interest	97,223	-	97,223	-	80,315	-	80,315	-	80,315	-	80,315	-	Direct	
Other	1,275	-	1,275	-	1,298	-	1,298	-	1,298	-	1,298	-	Usage	
Professional fees	-	11,532	11,532	11,532	-	8,448	-	8,448	8,448	8,448	8,448	8,448	Governance	
	508,750	11,532	520,282	520,282	416,171	8,448	424,619	424,619						

D/U - Support costs are a combination of direct and usage.

Governance costs includes fees paid/payable to the auditors for audit services totalling £5,800 (2021 - £5,350) and for other services totalling £2,625 (2021 - £2,400).

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>8</b>	<b>Net movement in funds</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Net movement in funds is stated after charging/(crediting):		
	Fees payable to the society's auditor for the audit of the society's financial statements	5,800	5,350
	Depreciation of owned tangible fixed assets	183,199	160,151
	Operating lease charges	6,640	8,400
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Staff costs and cost of key management personnel</b>		
	<b>Number of employees</b>		
	The average number of employees, excluding members, analysed by function was:		
		<b>2022</b>	<b>2021</b>
		<b>Number</b>	<b>Number</b>
	Supported housing	6	6
	Property management	3	3
	Property development	7	6
	Management and administration	4	2
		<u>          </u>	<u>          </u>
		20	17
		<u>          </u>	<u>          </u>
	<b>Employment costs were as follows:</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	488,724	461,010
	Social security costs	38,076	33,860
	Pension costs	23,971	20,122
	Other staff costs	108	10,558
		<u>          </u>	<u>          </u>
	Total staff costs	550,879	525,550
	Staff costs capitalised in the year	(146,417)	(61,216)
		<u>          </u>	<u>          </u>
	Staff costs charged to expenditure	404,462	464,334
		<u>          </u>	<u>          </u>

Staff costs of £146,417 (2021 - £61,216 ) have been capitalised due to the capital improvement nature of the work that staff carried out on the society's properties.

The key management personnel of LATCH are the Chief Executive, the Property Services Manager, Property Development Manager, Business Support Manager, Supported Housing Manager and the Finance Manager. The total employee benefits of the key management personnel of the charity were £188,637 (2021 - £154,714 - Chief Executive, the Property Services Team Leader, Property Refurbishment Team Leader and the Supported Housing Manager).

There were no employees whose annual remuneration was £60,000 or more in either the current or previous financial year.



**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**10 Tangible fixed assets**

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2021	5,432,985	1,401,102	241,787	33,740	7,109,614
Additions	702,243	312,967	27,501	-	1,042,711
At 31 March 2022	6,135,228	1,714,069	269,288	33,740	8,152,325
<b>Depreciation and impairment</b>					
At 1 April 2021	403,321	442,003	132,258	24,053	1,001,635
Depreciation charged in the year	90,332	30,182	58,685	4,000	183,199
At 31 March 2022	493,653	472,185	190,943	28,053	1,184,834
<b>Carrying amount</b>					
At 31 March 2022	5,641,575	1,241,884	78,345	5,687	6,967,491
At 1 April 2021	5,029,664	959,099	109,529	9,687	6,107,979

Included within freehold land and buildings is land valued at £1,331,641 (2021 - £1,203,391) which is not depreciated.

**11 Debtors**

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Rental and grant income debtors	65,952	85,683
Prepayments and accrued income	113,803	30,946
	179,755	116,629

**12 Creditors: amounts falling due within one year**

	Notes	2022 £	2021 £
Bank loans	15	75,297	51,239
Other borrowings	15	29,385	40,685
Trade creditors		36,589	21,501
Accruals and deferred income	13	33,539	36,045
		174,810	149,470

Other borrowing includes amounts due within one year with respect to a concessionary loan of £3,250 (2021 - £3,250)

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**13 Deferred income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred income is included in the financial statements as follows:		
Deferred income at 1 April 2021	15,622	-
Amount released to income	(15,622)	-
Amounts deferred in the year	14,299	15,622
	<u>14,299</u>	<u>15,622</u>
Deferred income at 31 March 2022	<u>14,299</u>	<u>15,622</u>

**14 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Bank loans	<b>15</b>	2,351,593	1,580,490
Other borrowings	<b>15</b>	651,666	681,050
		<u>3,003,259</u>	<u>2,261,540</u>

Other borrowing includes amounts due after one year with respect to a concessionary loan of £32,500 (2021 - £35,750).

**15 Loans and overdrafts**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans	2,426,890	1,631,729
Other loans	681,051	721,735
	<u>3,107,941</u>	<u>2,353,464</u>
Payable within one year	104,682	91,924
Payable after one year	<u>3,003,259</u>	<u>2,261,540</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>2,519,609</u>	<u>1,916,339</u>

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**15 Loans and overdrafts**

**(Continued)**

Four loans have been drawn down with Triodos Bank:

The first loan was for a total amount £431,839 drawn down in February 2017, with a total amount outstanding at the year end of £372,307 (2021 - £385,351). The facility is to be repaid over 25 years at an interest rate of 3% over base with a minimum rate of 3.5%.

The second loan has the facility to draw down funds of up to £1.168m. The loan was fully drawn down in the year to March 2019, with a balance as at the balance sheet date of £1,061,271 (2021 - £1,098,627). The facility is to be repaid over 25 years at an interest rate of 3% over base with a minimum rate of 3.5%.

The third loan was for a total amount £153,000 drawn down in November 2019, with a total amount outstanding at the year end of £143,866 (2021 - £147,751). The facility is to be repaid over 25 years at an interest rate of 3% over base with a minimum rate of 3.75%.

The fourth loan was for a total amount £848,000 partially drawn down in April 2021, with a total amount outstanding at the year end of £848,000. The facility is to be repaid over 25 years at an interest rate of 3% over base with a minimum rate of 3.5%.

These loans are secured by a legal charge over 43 freehold and/or leasehold properties owned and possessed by LATCH.

A loan of £36,711 was obtained from Connect Housing in the year to March 2012 to renovate a property leased from Connect Housing. It is to be repaid over 15 years at an interest rate of 6%. This loan will cease if LATCH relinquishes the property the loan relates to. At the year end, the balance outstanding is £17,368 (2021 - £18,587), and is included within Other loans.

A concessionary loan of £65,000 was obtained from the Quaker Housing Trust in the year to March 2013 which is to be repaid over 20 years, the loan is interest free and secured by a first legal charge on 18 Hillcrest View, a property owned by LATCH. At the year end, the balance outstanding is £35,750 (2021 - £39,000) and is included within Other loans.

A loan facility with Leeds City Council is held with maximum draw down funds of up to £676,000, which was fully drawn down in the year to March 2020. The facility is to be repaid over 30 years at an interest rate of 3.75%. At the year end, the balance outstanding is £629,379 (2021 - £652,688) including interest accrued on the loan and is included within Other loans.

A loan is held with Homeless Link which allowed a maximum draw down of up to £42,000. The loan was due to be repaid over 3 years at an interest rate of 8%. At the year end, a balance of £nil (2021 - £11,460) remaining outstanding and is included within Other loans.

**16 Retirement benefit schemes**

**Defined contribution schemes**

The society has made arrangements for a defined contribution scheme for the benefit of its staff. The charge to the statement of financial activity in respect of defined contribution schemes was £12,597 (2021 - £17,546). A further £11,374 (2021 - £2,576) was capitalised and is included within fixed asset additions.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

<b>17</b>	<b>Members' capital</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital</b>		
	Ordinary shares of £1 as at 1 April 2021	108	96
	Ordinary shares of £1 issued in the year	37	38
	Ordinary shares of £1 redeemed in the year	(18)	(26)
		<u>          </u>	<u>          </u>
	Ordinary shares of £1 as at 31 March 2022	<u>127</u>	<u>108</u>

Core Members, who are residents, hold one share only in the Society. These shares are be fully paid prior to issue, neither transferable nor withdrawable, shall carry no right to interest, dividend or bonus, and shall be forfeited and cancelled on cessation of membership from whatever cause, and the amount paid up on such cancelled shares shall become the property of the Society.

**18** **Community share issue**

548,050 community shares of £1 each were issued at par and are non-transferable, interest accrued at 4% per year and will be added to the value of the investment on 31 March each year. They can be withdrawn by agreement between the LATCH and the member holding a Community shares. Each shareholder is entitled to one vote irrespective of the shareholding, such that no individual has undue influence on the society.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**19 Restricted funds**

The income funds of the society include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current year	Balance at 1 April 2021 £	Movement in funds		Transfers £	Balance at 31 March 2022 £
		Income £	Expenditure £		
LCC Right to Buy 3	120,899	13,341	(2,410)	(131,830)	-
Power to Change - Community Business Fund	155,356	35,986	(39,181)	(152,161)	-
Clothworkers Foundation	28,505	-	(513)	(27,992)	-
Co-operatives UK - Community Shares Booster Programme	3,075	-	(3,075)	-	-
Turning Lives Around	-	8,192	(8,192)	-	-
LandAid - Covid support	9,502	-	(9,502)	-	-
LCC Right to Buy 4	-	248,064	(2,121)	-	245,943
Leeds Community Foundation	-	40,000	(36)	-	39,964
LandAid	-	44,987	-	-	44,987
	<u>317,337</u>	<u>390,570</u>	<u>(65,030)</u>	<u>(311,983)</u>	<u>330,894</u>

The Leeds City Council Right to Buy 3 Grant Programmes funding - to enable LATCH to bring into use long term empty properties.

The Power to Change and Clothworkers Foundation Grants - to help fund the capital and revenue expenditure for the purchase and refurbishment of a property as part of the LATCH Creates project.

Co-operatives UK - Community Shares Booster Programme: Revenue funding to engage professional services for the development and promotion of the LATCH community share issue.

Turning Lives Around - Revenue funding to cover staff and service delivery costs for the Housing First support project.

LandAid Grants - to enable LATCH to bring into use long term empty properties to house individuals between 18 and 25 years old.

The Leeds City Council Right to Buy 4 Grant Programmes funding - to enable LATCH to bring into use long term empty properties.

Leeds Community Foundation - grant income to fund support work and the coaching service over a two year period.

LandAid – to enable LATCH to purchase and renovate two long term empty properties to house young homeless people and provide construction training.

The Community Fund (A4A) Grant - to provide capital funds for organisational development including IT infrastructure, new phone systems and office decoration.

The Homeless Link grant was awarded - to help enable LATCH to deliver increased support for tenants.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**19 Restricted funds**

**(Continued)**

Power to Change - Business Development Support: Revenue funding provided to LATCH to develop and deliver a new publicity and marketing strategy and for staff development.

The ESF Community Grant was to enable the provision of training and employment services to trainees and tenants.

Homeless Link - Covid support: Revenue funding to cover the loss of rental and other income due to delays in the completion of project as a consequence of Covid-19

En:Able Communities: Revenue funding for the provision of training and employment support to LATCH trainees.

Following the completion of significant property refurbishment projects, at the year end the Leeds City Council Right to Buy Grant and The Power to Change and Clothworkers Foundation grants funds were derestricted as no restrictions were longer placed on these funds. At the balance sheet date, the closing balance of these funds were transferred into the designated property fund.

Included within the amounts received from the The Leeds City Council Right to Buy 4 Grant Programmes and The Community Fund (A4A) are amounts of £17,974 of cash available respectively to be carried forward and spent on costs incurred on the respective projects.

Prior year	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020	Income Expenditure		Transfers	
	£	£	£	£	
Community Fund (A4A)	5,498	-	(3,192)	(2,306)	-
Power to Change - Community Business Fund	101,723	20,721	(1,545)	-	120,899
Homeless Link	190,750	51,350	(86,744)	-	155,356
Power to Change - Homes in Communities Hands	26,370	-	(1,807)	(24,563)	-
ESF Community Grants	2,872	-	(2,872)	-	-
Clothworkers Foundation	28,868	-	(363)	-	28,505
Power to Change - Business Development Support	-	8,000	(8,000)	-	-
Co-operatives UK - Community Shares Booster Programme	-	10,000	(6,925)	-	3,075
Turning Lives Around	-	21,053	(21,053)	-	-
Homeless Link - Covid support	-	36,877	(36,877)	-	-
LandAid - Covid support	-	22,053	(12,551)	-	9,502
En:Able Communities	-	4,982	(4,982)	-	-
	<u>356,081</u>	<u>175,036</u>	<u>(186,911)</u>	<u>(26,869)</u>	<u>317,337</u>

**20 Designated funds**

At 31 March 2018 a designated property fund was created. The value of this fund represents the book value of housing stocks, excluding those held in restricted funds, less liabilities outstanding in respect of capital loans used to finance those housing stocks.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**21 Analysis of net assets between funds**

	General funds	Designated property funds	Restricted funds	Total
	£	£	£	£
<b>Fund balances at 31 March 2022 are represented by:</b>				
Tangible assets	341,667	6,359,917	265,907	6,967,491
Current assets/(liabilities)	628,188	(104,682)	64,987	588,493
Long term liabilities	-	(3,003,259)	-	(3,003,259)
	<u>969,855</u>	<u>3,251,976</u>	<u>330,894</u>	<u>4,552,725</u>

General funds also includes 17 Ordinary shares of £1 and 548,050 Community shares of £1 each.

	General funds	Designated property funds	Restricted funds	Total
	£	£	£	£
<b>Fund balances at 31 March 2021 are represented by:</b>				
Tangible assets	371,748	5,413,296	322,935	6,107,979
Current assets/(liabilities)	130,928	(91,924)	(5,598)	33,406
Long term liabilities	-	(2,261,540)	-	(2,261,540)
	<u>502,676</u>	<u>3,059,832</u>	<u>317,337</u>	<u>3,879,845</u>

**22 Operating lease commitments**

At the reporting end date the Society had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	7,542	7,550
Between two and five years	29,797	30,193
In over five years	32,266	38,502
	<u>69,605</u>	<u>76,245</u>

The society holds 14 peppercorn leases upon which rent of £1 is paid annually to Leeds City Council. Costs incurred to bring the properties into use have been capitalised due to the long lease nature.

**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**23 Related party transactions**

Each resident is also a member of the society for the purposes of maintaining its community benefit society status. Rents of £836,642 (2021 - £747,448) were paid by either the residents directly or via their benefit arrangements. No individual member resident has significant influence over the organisation.

A member of the management committee Dennis Bernard is a director of Ark and Crafts. LATCH purchased goods to the value of £1,350 (2021 - £nil) from Ark and Crafts during the year.

There are no other related party transactions which require disclosure in the current or prior financial year.

**24 Analysis of changes in net (debt)/funds**

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	66,247	517,301	583,548
Loans falling due within one year	(91,924)	(12,758)	(104,682)
Loans falling due after more than one year	(2,261,540)	(741,719)	(3,003,259)
	<u>(2,287,217)</u>	<u>(237,176)</u>	<u>(2,524,393)</u>

**25 Cash generated from operations**

	2022 £	2021 £
Surplus/(deficit) for the year	124,811	(15,179)
Adjustments for:		
Investment income	(36)	(23)
Depreciation of tangible fixed assets	183,199	160,151
Movements in working capital:		
(Increase)/decrease in debtors	(63,126)	19,162
Increase in creditors	12,582	18,050
<b>Cash generated from operations</b>	<u>257,430</u>	<u>182,161</u>



**LEEDS ACTION TO CREATE HOMES LIMITED**  
**OPERATING AS LATCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**26 Comparative Statement of Financial Activities**

	Unrestricted £	Designated £	Restricted £	Total £
<b><u>Income from:</u></b>				
Donations and legacies	35,343	-	-	35,343
Charitable activities	798,474	-	175,036	973,510
Investments	23	-	-	23
Other income	11,213	-	-	11,213
<b>Total income</b>	<b>845,053</b>	<b>-</b>	<b>175,036</b>	<b>1,020,089</b>
<b><u>Expenditure on:</u></b>				
Charitable activities	751,477	96,880	186,911	1,035,268
<b>Net income/(expenditure) before transfers</b>	<b>93,576</b>	<b>(96,880)</b>	<b>(11,875)</b>	<b>(15,179)</b>
Gross transfers between funds	(221,168)	248,037	(26,869)	-
<b>Net (expenditure)/income for the year</b>	<b>(127,592)</b>	<b>151,157</b>	<b>(38,744)</b>	<b>(15,179)</b>
Net movement in members capital	12	-	-	12
<b>Net movement in income funds</b>	<b>(127,580)</b>	<b>151,157</b>	<b>(38,744)</b>	<b>(15,167)</b>
Fund balances at 1 April 2020	630,256	2,908,675	356,081	3,895,012
<b>Fund balances at 31 March 2021</b>	<b>502,676</b>	<b>3,059,832</b>	<b>317,337</b>	<b>3,879,845</b>