

LATCH LIMITED
LEEDS ACTION TO CREATE HOMES
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

LATCH LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2015

The Management Committee present their report and the audited financial statements for the year ended 31 March 2015.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS MANAGEMENT COMMITTEE AND ADVISORS

LATCH Limited is a Co-operative Community Benefit Society with charitable objectives incorporated under the Co-operative Community Benefit Society Act 2014 with the registration number 27643R. The society has charitable exemption with the Inland Revenue.

The registered office and operating address is: -

176 Chapeltown Road
Leeds
LS7 4HP

The management committee, who served during the year and up to the date of this report, were: -

Caleb Sutton
Kat Forhead
Dennis Bernard
Maggie Gjessing (Chair)
Duncan Clarke (Treasurer) (resigned April 2015)
David Clark (Treasurer) (appointed April 2015)
Carol White
Keith Gibson
David Ripley
Lucy Fountain
Stephen Boyle

Society Secretary: Margaret Shevlin

Principal staff: James Hartley – Chief Executive

Bankers: Yorkshire Bank Plc
Headingley branch
6 Otley Road
Leeds LS6 2AA

Auditors: Ian Pickup & Co
Chartered Accountants and Statutory Auditors
123 New Road Side
Horsforth
Leeds LS18 4QD

Solicitors: Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

LATCH LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

LATCH Limited is a Co-operative Community Benefit Society with charitable objectives registered under the Co-operative Community Benefit Society Act 2014 with the registration number 27643R. The society has charitable exemption with the Inland Revenue.

Leeds Action To Create Homes Ltd. is therefore 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 two 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.

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 meet regularly to manage its affairs. There are 13 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.

OBJECTIVES AND ACTIVITIES

The rules of Leeds Action to Create Homes (LATCH) state the following objects:
The objects of the Society shall be the relief of persons in necessitous circumstances who are homeless or in housing need, in particular through the renovation and refurbishment of property for occupancy by such persons.

In addition the LATCH Management Committee has stated the following aims and objectives:

- 1 To provide homes and regular support for people who are over 18 who are homeless, threatened with homelessness or in housing need;
- 2 To contribute to the social housing stock through the refurbishment and renovation of properties in Leeds city region;
- 3 To provide opportunities for service users to develop practical skills through training and supervised work experience either on their own property or through project work;
- 4 To encourage service users to contribute and participate in all aspects of LATCH's work;
- 5 To provide a secure and confidential service to people who have experience of or are at risk of social exclusion.

When reviewing the aims and objectives of the society, and in planning future activities, the management committee comply with their duty to have due regard to public benefit guidance as published by the Charity Commission.

LATCH LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2015

ANNUAL OBJECTIVES

LATCH continues to provide housing and support to people who are vulnerable and in housing need. Throughout the year there were 144 applications for Latch's housing and support services and of these 18 were re-housed with LATCH. We also continue to provide training and voluntary opportunities to people through our Refurbishment and Training Service. Throughout the year 27 people have participated in volunteering and training activities through LATCH.

The main objectives for the year were:

- Increase the number of properties that are managed by LATCH and refurbish to agreed standards.
- Deliver a range of volunteering opportunities to LATCH clients and others.
- Deliver the new Support Service in line with contractual commitments.
- Identify development opportunities for the Support Service and implement these as necessary
- Improve the Housing Management Service provided to LATCH tenants through the achievement of service targets.
- Explore the opportunities for the development of a trading enterprise for LATCH with regards to the 'super insulation' of properties.

ACHIEVEMENTS AND PERFORMANCE

We have successfully met our target with regards to increasing the number of properties that are managed by Latch. We have increased the number of properties from 54 to 64, an increase of 10 properties. This increase has helped us offer more affordable accommodation to our clients and improved the impact of the work that we do with regards to providing homes to homeless people. This growth in property numbers will also make a significant contribution to our financial sustainability in the coming years.

We have had some success with regards to our fundraising aspirations having raised approximately £721,000 through the year. The majority of this has been for the purchase and refurbishment of new properties, but has included some revenue funding for the Refurbishment and Training Service, (see accounts and notes for further details).

The targets relating to training and volunteering targets were all met, with 27 volunteers participating in our property renovation projects. The demand for all activities was very strong and the number of people attending events exceeded targets. The feedback obtained from the participants was very positive, with high levels of satisfaction in terms of the quality of the activities, the skills acquired and the boost to the self-confidence reported by the participants.

The support service has struggled to meet contractual targets in the early part of the year but this has now improved and the targets are now being met. A high quality support service is being provided to tenants and service outcomes, as identified through the outcome star, remain very good. We continue to receive a high volume of applications and we are doing the best we can 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.

LATCH LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2015

ACHIEVEMENTS AND PERFORMANCE (continued)

The Housing Management services improved performance has continued with regards to repairs and maintenance, with all repairs handled satisfactorily and long term maintenance tasks completed. We very nearly met our 2% target with regards to rental income lost to arrears; our actual loss was 3.3%. We also very nearly met our voids target of 6 weeks, with actual void turnaround time being 7 weeks. These areas will be a focus for improvement in the coming year.

The development of our proposed trading enterprise has not progressed this year due to other work commitments taking priority. It is expected that this initiative will be taken forward in the forthcoming year.

FINANCIAL REVIEW

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities issued in March 2005. As an exempt charity, LATCH will be required to register with the Charity Commission sometime in the near future and has chosen to fully adopt the SORP in anticipation of this event.

The total surplus reported for the year is £615,387, however this surplus includes capital funding of £444,000 received from the Empty Property Community Grant Fund, which was expended on the purchase of properties held as fixed assets. The surplus also includes capital funding of £155,821 received from the Empty Homes Community Grant Fund, which was also expended on the purchase of properties held as fixed assets. The society's funds at 31 March 2015 totalled £1,982,965.

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 target for 2014/15 was £84,575 and the target for 2015/16 is £86,804. The free reserves at 31st March 2015 were £224,008 before taking account of long term loans.

Principal funding sources are funding from the Department for Communities and Local Government via the Empty Property Community Grant Fund and the Empty Homes Community Grant Fund, rental income and Supporting People income through the funding from Leeds City Council Supporting People Team. Further funding was received from various Foundations and Trusts.

PLANS FOR FUTURE PERIODS

- Deliver the new Support Service in line with contractual commitments.
- Improve the Housing Management Service provided to LATCH tenants through the achievement of service targets.
- Obtain the necessary lease agreements and sufficient funds for a new empty homes program
- Explore the opportunities for the development of a trading enterprise for LATCH with regards to the 'super insulation' of properties.

LATCH LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2015

STATEMENT OF RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE

The Friendly and Industrial and Provident Societies Act 1968 requires the Management Committee 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 Management Committee has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- prepared the financial statements on a going concern basis.

The Management Committee is 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 report was approved by the Management Committee and signed on its behalf by:



Maggie Gjessing
Chair of Management Committee

14 October 2015

LATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LATCH LIMITED

We have audited the financial statements of Latch Limited for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of the management committee and the auditors

As explained more fully in the Statement of Board's Responsibilities set out on page 6 the management committee is responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 19 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. We read all the financial and non-financial information in the management committee report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

LATCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LATCH LIMITED

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the society's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Co-operative and Community Benefit Societies Act 2014.

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 require us to report to you if, in our opinion:

- proper books of account have not been kept by the society in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the society in accordance with the requirements of the legislation;
- the revenue account or the other accounts (if any) to which our report relates, and the balance sheet are not in agreement with the books of account of the society; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.



Ian Pickup & Co
Chartered Accountants and Statutory Auditors
123 New Road Side
Horsforth
Leeds
LS18 4QD

Date: 23 October 2015

LATCH LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2015 (Incorporating Income and Expenditure Account)

	NOTE	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2015	TOTAL FUNDS 2014
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income:					
Donations and grants	2	3338	-	3338	1552
Investment income		25	-	25	17
Incoming resources from charitable activities:					
Grants and contracts for supported housing, training and support	3	126651	721016	847667	633238
Rents receivable	4	435127	-	435127	319583
Total incoming resources		565141	721016	1286157	954390
RESOURCES EXPENDED					
Charitable activities:					
Housing support	5	159989	-	159989	131423
Housing Management	5	349780	9777	359557	313193
Training and property renovation facility	5	2962	140337	143299	157413
Governance costs	5	7925	-	7925	13435
Total resources expended	5	520,656	150114	670770	615464
Net income / (expenditure) for the year	6	44485	570902	615387	338926
Transfers between Funds	14	80714	(80714)	-	-
Fund balances at 1 April 2014	14	652666	714912	1367578	1028652
Fund balances carried forward at 31 March 2015	14	777865	1205100	1982965	1367578

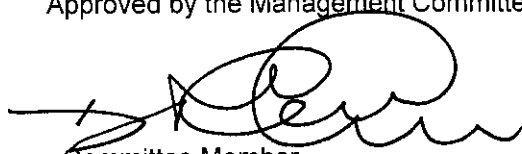
The notes on pages 11 to 19 form part of these accounts

LATCH LIMITED

BALANCE SHEET AS AT 31 MARCH 2015

	Note	2015		2014	
		£	£	£	£
TANGIBLE FIXED ASSETS	9		2282165		1663042
CURRENT ASSETS					
Debtors	10	105210		59040	
Cash at bank		<u>186272</u>		<u>111422</u>	
		291482		170462	
CREDITORS: Amounts falling due within one year	11	<u>(67392)</u>		<u>(78706)</u>	
NET CURRENT ASSETS			224090		91756
CREDITORS: Amounts falling due after more than one year	12		<u>(523208)</u>		<u>(387148)</u>
NET ASSETS			<u>1983047</u>		<u>1367650</u>
REPRESENTED BY:					
Share capital	16		82		72
Restricted Funds	14		1205100		714912
Unrestricted Funds:					
General funds	14		777865		652666
			<u>1983047</u>		<u>1367650</u>

Approved by the Management Committee on 14 October 2015 and signed on its behalf.


Committee Member


Committee Member

Secretary 

The notes on pages 11 to 19 form part of these accounts.

LATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

(a) Basis of preparing the financial statements

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention. The accounts have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities, issued in March 2005.

(b) Going concern

The directors have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure. They have a reasonable expectation that adequate financial resources are available to enable the company to continue in operational existence for the foreseeable future, and have adequate contingency plans in the event that income streams are reduced. Consequently the financial statements have therefore been prepared on the basis that the company is a going concern.

(c) Fixed assets and depreciation

Depreciation is provided on the following assets in order to write off their cost less residual value over their estimated useful lives: motor vehicles and equipment 25%; leasehold improvements 10% or 20%; freehold buildings 2% (Note 9). No depreciation is provided on freehold land. Fixed assets costing more than £1,000 are capitalised.

(d) Incoming resources

All incoming resources are included in the statement of financial activities when the society is entitled to the income and the amount can be quantified with reasonable accuracy.

- Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the society becomes unconditionally entitled to the grant. Where income is received specifically for expenditure in a future accounting period that amount is deferred.
- The society receives contract income in return for the performance of agreed services. Contract income is accounted for when receivable in accordance with contract terms.
- Rents are accounted for when receivable, and are net of voids.
- Investment income is included when receivable.

(e) Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

- Charitable expenditure comprises those costs incurred by the society in the deliverance of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs incurred in the governance of the society and its assets and are primarily associated with constitutional and statutory requirements. A proportion of the cost of maintaining the head office is also included.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 5.

(f) Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable without further specified purpose and are available as general funds.

LATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

(g) Designated funds

Designated funds are unrestricted funds earmarked for particular purposes.

(h) Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

(i) Pensions

The society has made arrangements for a defined contribution scheme for the members of staff. The assets of the scheme are held separately from those of the society. Pension costs charged in the Statement of Financial Activities represent contributions payable by the society in the year.

2. VOLUNTARY INCOME: DONATIONS AND GRANTS

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
General donations	1956	-	1956	816
Other income	1382	-	1382	736
	<u>3338</u>	<u>-</u>	<u>3338</u>	<u>1552</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES: GRANTS AND CONTRACTS

	Unrestricted funds £	Restricted Funds £	2015 Total £	2014 Total £
<i>Training and property renovations facility</i>				
Big Lottery Fund Grant – revenue	-	-	-	23901
Big Lottery – Supporting Impact Nationwide Foundation	-	20031	20031	69760
Jimbo’s Fund	-	28100	28100	28100
Tudor Trust	-	20000	20000	25000
Tudor Trust	-	28667	28667	18667
Community Led Support Fund	-	24397	24397	-
Empty Properties Community Grant	-	444000	444000	292000
Empty Homes Community Grant	-	155821	155821	51271
<i>Housing support and management</i>				
Supporting People contract	126651	-	126651	124539
Total incoming resources	<u>126651</u>	<u>721016</u>	<u>847667</u>	<u>633238</u>

LATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES: RENTS RECEIVABLE

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

5. RESOURCES EXPENDED

	Basis of Allocation	Housing Support £	Housing Management £	Training & property renovations facility £	Governance £	Total 2015 £	Total 2014 £
Costs directly allocated to activities:							
Staff and payroll costs	Direct	112602	115421	72951	2955	303929	310100
Property: Repairs & Maintenance (incl. some Staff & Insurance Costs)	Direct	-	136911	20002	-	156913	62910
Property: Management	Direct	-	34523	-	-	34523	47699
Volunteers expenses	Direct	154	178	4364	-	4696	4033
Training and courses	Direct	-	-	1455	-	1455	13597
Bad debts	Direct	-	6460	-	-	6460	12793
Support costs allocated to activities:							
Office premises and repairs	Usage	3725	2142	2887	559	9313	13023
Office supplies and sundries	Usage	3817	2290	1657	573	8337	4982
Publicity	Usage	2596	1557	1947	389	6489	5835
Telephone	Usage	1505	903	1129	225	3762	4818
Subscriptions	Usage	536	322	402	80	1340	798
Insurance	Direct	1905	1143	1429	286	4763	13435
Audit and accountancy	Usage	1707	1707	1539	2223	7176	5437
Bookkeeping and Consultancy	Usage	1957	1957	1709	555	6178	14400
Motor and travel costs	Usage	2350	5609	3727	-	11686	13187
Depreciation	Usage	24781	27092	26770	-	78643	66706
Legal fees	Usage	403	683	365	-	1451	7964
Bank interest and charges	Usage	19	19	19	-	57	14
Loan interest	Direct	-	18852	-	-	18852	10986
Other	Usage	193	1788	947	80	4747	2747
Total		159989	359557	143299	7925	670770	615464

LATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

6. NET INCOME FOR THE YEAR

This is stated after charging:

	2015	2014
	£	£
Auditors' remuneration:		
Audit fees	6240	5100
Independent Accountant's reports – Empty Homes Community Fund	468	336
Independent Accountant's reports – Empty Homes Property Fund	468	-
Accountancy services	-	3186
Depreciation of tangible fixed assets	78643	66706

7. EMPLOYMENT INFORMATION

The average number of employees, calculated on a full-time equivalent (FTE) basis analysed by function was:

	2015	2014
	FTE	FTE
Housing support	4	5
Housing management	4	3
Training and property renovation facility	5	4
	<u>13</u>	<u>12</u>

Staff costs during the year were as follows:

	2015	2014
	£	£
Wages and salaries	324031	297834
Social security costs	27594	27609
Pension costs	14690	15406
	<u>366315</u>	<u>340849</u>

No employee earned £60,000 or more during the year (2014 – no employee earned £60,000 or more during the year).

During 2015 £55095 of staff costs (2014: £31825) have been capitalised due to the nature of the work staff were carrying out on the society's properties.

8. MANAGEMENT COMMITTEE INFORMATION

No travel expenses were paid to management committee members during the year. (2014: nil). No member of the management committee received remuneration for their services during either year.

LATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9. FIXED ASSETS

	Freehold property		Leasehold Improvements		Motor Vehicles	Office and training equipment	Total
	Head Office	Other Properties	Leasehold Properties	Training Facility			
	£	£	£	£	£	£	£
Cost or valuation:							
At 1 April 2014	277066	1189569	278095	132906	15345	20796	1913777
Additions	-	688526	-	-	9240	-	697766
Disposals	-	-	-	-	(2300)	-	(2300)
At 31 March 2015	277066	1878095	278095	132906	22285	20796	2609243
Depreciation:							
At 1 April 2014	15514	35059	103103	66453	12045	18561	250735
Charge for the year	3879	26504	29926	13291	4298	745	78643
Eliminated on disposals	-	-	-	-	(2300)	-	(2300)
At 31 March 2015	19393	61563	133029	79744	14043	19306	327078
Net book value							
At 31 March 2015:	257673	1816532	145066	53162	8242	1490	2282165
Net book value							
At 31 March 2014:	261552	1154510	174992	66453	3300	2235	1663042

Prior to 1 April 2010, no depreciation was provided on freehold property. The remaining useful life of the society's freehold property was considered to be greater than 50 years and the residual value estimated to be so great such that any charge to depreciation would have been immaterial. The remaining useful economic life of the freehold property is now estimated at 50 years, and depreciation of 2% per annum is charged. No depreciation is provided on freehold land.

10. DEBTORS

	2015	2014
	£	£
Rental and support income debtors	30212	16410
Prepayments and accrued income	14718	11961
Other debtors	60280	30669
	<u>105210</u>	<u>59040</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Sundry creditors and accruals	35237	49999
Latch Coop	-	15
Deferred income (Note 13)	15203	15562
Loan repayments due in one year (Note 12)	16952	13130
	<u>67392</u>	<u>78706</u>

LATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Loans	<u>523208</u>	<u>387148</u>

A loan of £222000 was obtained from the Ecology Building Society in the year to March 2014 to be repaid over 25 years at an interest rate of 4%. A further advance of £156,000 was obtained in April 2014. The loan is secured by a mortgage over 1 Leopold Street and 366 Meanwood Road. Both properties are owned by Latch.

A loan of £36711 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 ceases if LATCH relinquishes the property the loan relates to.

A loan of £88000 was obtained from the Ecology Building Society in the year to March 2013 to be repaid over 20 years at an interest rate of 4.9%. The loan is secured by a first legal charge over 42 Sholebroke View a property owned by LATCH.

A loan of £65000 was obtained from the Quaker Housing Trust in the year to March 2013 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.

As at 31 March 2015, the loans were repayable in annual instalments plus interest as follows:

	2015	2014
	£	£
Within one year	<u>16952</u>	<u>13130</u>
Between one and two years	19146	13644
Between two and five years	59189	43883
After more than five years	<u>444873</u>	<u>329621</u>
	<u>523208</u>	<u>387148</u>

13. DEFERRED INCOME

	2015	2014
	£	£
Balance at 1 April 2014	15562	14867
Released to Statement of Financial Activities	(15562)	(14867)
Amount deferred in the year	<u>15203</u>	<u>15562</u>
Balance at 31 March 2015	<u>15203</u>	<u>15562</u>

LATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

14. MOVEMENTS IN FUNDS

	Balance 1 April 2014	Incoming Resources	Resources Expended	Transfers (See Note 1 below)	Balance 31 March 2015
	£	£	£	£	£
Unrestricted funds:	652666	565141	(520656)	80714	777865
Restricted funds:					
Quaker Housing Trust	19720	-	-	(19720)	-
Capital funding - other properties	175482	-	(2603)	-	172879
Mark Leonard Trust	2100	-	(700)	-	1400
Empty Homes Community Grant	86017	155821	(2736)	-	239102
LCC Show Homes	27096	-	-	(27096)	-
Nationwide Foundation	24105	28100	(20754)	-	31451
Big Lottery –Supporting Impact	4344	20031	(24375)	-	-
Jimbo's Fund	13856	20000	(20000)	(13856)	-
Leeds Social Enterprise	2616	-	(1313)	-	1303
Community Led Support Fund	-	24397	(24397)	-	-
Hands-On Project funds:					
Big Lottery Fund - Revenue grant	24863	-	(8256)	-	16607
Big Lottery Fund - Capital grant	26438	-	(6622)	-	19816
Tudor Trust	20042	28667	(28667)	(20042)	-
Empty Properties Community Grant	288233	444000	(9691)	-	722542
Total restricted funds	714912	721016	(150114)	(80714)	1205100
Total funds	1367578	1286157	(670770)	-	1982965

Note 1. Permission was obtained from some funding organisations to treat the remaining balance on Restricted Funds as Unrestricted in the future.

Note 2. Fund balances at 31 March 2015 include the net book value of assets purchased and labour capitalised, of £1205100 (see below):

	£
Capital Funding - Other Properties	172879
Mark Leonard Trust	1400
Empty Homes Community Grant Fund	239102
Nationwide Foundation	31451
Leeds Social Enterprise	1303
Big Lottery - Revenue	16607
Big Lottery - Capital	19816
Empty Property Community Grant Fund	722542
	<u>1205100</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

14. MOVEMENTS IN FUNDS continued

Restricted funds:

Quaker Housing Trust has provided capital funding to renovate empty homes.

Capital funding for other rental properties was received from a variety of sources, prior to 1997. In the absence of information regarding grant conditions, these funds have been shown as restricted funds.

Capital funding towards Decent Homes improvements was received from the Mark Leonard Trust.

Empty Homes Community Grant provided funding to bring at least 4 empty homes back into use over the course of 3 years.

LCC Show Home provided funding to improve the thermal performance of 2 refurbished houses as a demonstration project..

Nationwide Foundation provided funding towards the Empty Properties programme, thermal performance of the properties and to provide volunteering opportunities.

Big Lottery Supporting Impact provided funding towards the costs of the Hands On project..

Tudor Trust provided funding to employ a refurbishment and training worker as part of the Empty Homes project, and a grant towards the refurbishment of the training facility.

Jimbo's Fund provided funding to employ a refurbishment and training worker as part of the Empty Homes project to work in East Leeds and funding towards the refurbishment of properties in the East Leeds area.

Leeds Social Enterprise provided funding towards the costs of an additional van, scaffolding unit and tools.

The Big Lottery Fund Grant is funding for the development of the training facility, the Hands-On project. The total award consists of a £51328 capital grant and a £434481 revenue grant which were paid over a 5 year period

Empty Properties Community Grant provided funding to purchase and refurbish empty properties, providing 20 bed spaces over 2 years.

Mark Leonard Trust provided funding towards the renovation of a number of domestic properties to bring them into a habitable condition. The properties are held on a leasehold basis by Latch

The Community Led Support Fund was provided to assist with the development and submission of a planning application for the building of four new properties.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Share capital	General funds	Restricted funds	Total
	£	£	£	£
Tangible fixed assets	-	1077065	1205100	2282165
Net current assets	82	224008	-	224090
Long-term liabilities	-	(523208)	-	(523208)
Net assets at 31 March 2015	<u>82</u>	<u>777865</u>	<u>1205100</u>	<u>1983047</u>

16. SHARE CAPITAL

	2015	2014
	£	£
As at 1 April 2014	72	62
Shares at £1 issued during the year	21	18
Shares redeemed during the year	(11)	(8)
At 31 March 2015	<u>82</u>	<u>72</u>

17. CAPITAL COMMITMENTS

At 31 March 2015 the society had no capital commitments (2014: £Nil).

18. OTHER COMMITMENTS

At 31 March 2015 the society had annual commitments totalling £25051 (2014 £25051) in respect of lease payments due to landlords on the leased properties occupied by the society. The total commitments are as follows:

	2015	2014
	£	£
Less than one year	25051	25051
2 – 5 years	37296	39691
Over 5 years	59058	66596
	<u>121405</u>	<u>131338</u>

19. AUDITORS' ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other organisations of our size and nature our auditors have assisted us with the analysis of the accounting records and the preparation of the financial statements.

20. PENSION COSTS

The society has made arrangements for a defined contribution scheme with Friends Provident. 12 members of staff were in the scheme (2014: 13) during the year. The contribution rate of 5% of gross salary by the society is charged to the accounts in the period to which it relates. No contributions were unpaid at 31 March 2015 (2014 - £1,066I).

