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Brampford Speke, Upton Pyne & Cowley
Community Land Trust

Report & Accounts for the year ending 31st October 2018

1 Financial overview

Financially the CLT has had an uneventful year, with only 15 transactions passed across the bank account. The transactions included in Revenue and Trading expenses in the Current year's Profit & Loss statement (section 3 of the accounting statements) are: the receipt of ground rent from Hastoe of £1,456 p.a. on the affordable housing in Lake's Down, Upton Pyne (received in December 2017 although due in July); the bank service charge of £72 payable quarterly; public liability insurance of £289.35; and various payments totaling £756.79 for Amenity land maintenance.

The payment of the registration and supervision fee of £65 to the FCA in January 2018, for the previous year, does not appear in the current year P&L – it was accrued in the previous year (section 4 of the accounting statements). The payment for the current year has not yet been made.

The CLT is in a healthy financial position, with no liabilities; its assets are mostly cash in the bank; at the year end (31.10.2018) it had a cash balance of over £11,300, which is more than sufficient to cover its expenses and its anticipated outlay on projects.

2 Notes on the accounting statements

2.1 Income from ground rent

HMRC have said that they regard income from ground rent as trading income, which is subject to corporation tax (net of expenses). The treatment of ground rent income was revised in the previous year accounts to recognise it when received (cash basis) rather than when due (accrual basis); also to give it its own category /account in the accounting statements.

2.2 Corporation tax

The CLT was required to make a corporation tax return for the year-end Oct 2015, because it had income of £1,456 deemed to be trading income. However legal fees paid in that year plus other expenses resulted in a net loss. HMRC said that as long as the CLT is reporting a (cumulative) loss on trading income, because the CLT is so small, they will waive the requirement for a return, effectively regarding it as dormant.

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2.3 Corporation tax calculation

A balance sheet account has been raised to show “provision for corporation tax” and an income & expense category for “corporation tax payable”. Calculations have been made and are shown below for each year, based on Trading income chargeable to date net of Expenses allowable to date, and the current corporation tax rate. The calculations below show that the CLT is still reporting a loss on trading income and therefore is not required to make a corporation tax return,

£	Year ended October 2018	Year ended October 2017
Trading income chargeable to CT	1,456.00	1,456.00
Expenses allowable to CT	-1,118.14	-1,692.34
Allowances brought forward	-3,635.80	-3,399.46
Net taxable	0	0
Allowances carried forward	-2,517.66	-3,635.80
Tax rate	n/a	n/a
Corporation tax payable	Nil	Nil

2.4 Year-end transfers

The year-end transfer of Net income from the Profit & Loss account to Retained earnings in the Equity section of the Balance Sheet is detailed below. The Net income (or loss) would include the estimated Corporation tax payable for the period as calculated above (if it were not zero).

£	Year ended October 2018	Year ended October 2017
B/F from previous period	5,724.20	5960.54
Net income (loss) for period	337.86	-236.34
Retained earnings C/F	6,062.06	5,724.20

2.5 Debtors – possible bad debt

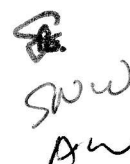
A claim on Hastoe for net amounts spent on trees totalling £234.38, is still shown in Debtors on the current balance sheet (as in previous year). A decision should be made by the directors either to try to collect this sum from Hastoe, or to write it off.

2.6 Normal subscriptions

The number of members of the CLT may be calculated easily from the amount of “Normal subscriptions” under “Capital subscribed by members” in the balance sheet, based on normal subscriptions being £1 per member.

As at 31.10.2018 there were therefore (£50/£1 =) 50 members. At 31.10.2017 there were also 50 members, so there were no new members during the current year.

The figure in the previous year’s report of the total members at the balance sheet date (31.10/2017) of 55, was an error. The members’ register maintained by the membership secretary should be authoritative if there is any doubt.


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3 Accounting statements

These statements (attached) are produced directly from the accounting system; they have section numbers that are not repeated if the section overflows the page. The statements are presented in the order: Balance Sheets current & previous then Profit & Loss current & previous.

Section

1. Current Balance Sheet (31/10/2018)
2. Previous Balance Sheet (31/10/2017)
3. Current year's Profit & Loss (2017-18)
4. Previous year's Profit & Loss (2016-17)

Simon Grundy
Hon. Treasurer
Bramford Speke, Upton Pyne & Cowley Community Land Trust Limited
03 January 2019

S.P. Grundy
10 Feb 2019

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BSUPC CLT 1 Current Balance Sheet 31/10/2018

Assets

Assets

Current Assets

Cash with Treasurer £2.00

Debtors £234.38

Bank current £11,345.68

Total Current Assets £11,582.06

Total Assets £11,582.06

Total Assets £11,582.06

Liabilities

Total Liabilities £0.00

Equity

Capital from grants

County councillors fund £1,500.00

Gifts & donations £250.00

Parishes together fund £702.00

TAF £3,000.00

Total Capital from grants £5,452.00

Capital subscribed by members

Additional capital £18.00

Normal subscriptions £50.00

Total Capital subscribed by members £68.00

Retained earnings C/F


B/F from previous period £5,724.20

Net income for period £337.86

Total Retained earnings C/F £6,062.06

Total Equity £11,582.06

Total Liabilities & Equity £11,582.06


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BSUPC CLT 2 Previous Balance Sheet 31/10/2017

Assets

Assets

Current Assets

Cash with Treasurer £2.00

Debtors £234.38

Bank current £11,123.82

Total Current Assets £11,360.20

Total Assets £11,360.20

Total Assets £11,360.20

Liabilities

Liabilities

Accrued expenses £127.99

Misc. liabilities -£11.99

Total Liabilities £116.00

Total Liabilities £116.00

Equity

Capital from grants

County councillors fund £1,500.00

Gifts & donations £250.00

Parishes together fund £702.00

TAF £3,000.00

Total Capital from grants £5,452.00

Capital subscribed by members

Additional capital £18.00

Normal subscriptions £50.00

Total Capital subscribed by members £68.00

Retained earnings C/F

B/F from previous period £5,960.54

Net income for period -£236.34

Total Retained earnings C/F £5,724.20

Total Equity £11,244.20

Total Liabilities & Equity £11,360.20

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BSUPC CLT 3 Current year Profit & Loss For Period Covering 01/11/2017 to 31/10/2018

Revenues

Income		
Ground rent income	£1,456.00	
Total Income		£1,456.00
Total Revenue		£1,456.00

Expenses

Expense		
Trading expenses		
Amenity land maintenance	£756.79	
Bank charges	£72.00	
Insurance	£289.35	
Total Trading expenses		£1,118.14
Total Expense		£1,118.14
Total Expenses		£1,118.14
Net income for Period		£337.86

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BSUPC CLT 4 Previous year Profit & Loss For Period Covering 01/11/2016 to 31/10/2017

Revenues

Income		
Ground rent income	£1,456.00	
Total Income		£1,456.00
Total Revenue		£1,456.00

Expenses

Expense		
Trading expenses		
Amenity land maintenance	£1,258.79	
Bank charges	£72.00	
Communications	£7.20	
FCA fees	£65.00	
Insurance	£289.35	
Total Trading expenses		£1,692.34
Total Expense		£1,692.34
Total Expenses		£1,692.34
Net loss for Period		£236.34

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