Charity Registration No. XT27103

Company Registration No. IP31116R (England and Wales)

GREEN PASTURES CBS LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Directors	Pastor Pete Cunningham Andrew Cunningham Rory Paget-Wilkes Simon Westmacott Graham Ball Francis Goodwin Alison Gelder David Smith Robert Sturgess-Durden Roger Tucker
Secretary	Rebecca Cunningham
Charity Number	XT27103
Company Number	IP31116R
Registered Office	9 Mornington Road Southport PR9 0TS
Administration Office	28 Union Street Southport PR9 0QE
Independent Auditors	Mazars LLP Chartered Accountants and Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton SM1 4FS

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The directors submit the statutory report and consolidated financial statements of Green Pastures CBS Limited (CBS) for the year ended 31 March 2022.

Reference and administrative details of the company

CBS is an Industrial and Provident Society incorporated as a registered company with exempt charitable status and as such is exempt from the requirement to be registered as a charity with the Charity Commission. The company was formed under the Industrial and Provident Societies Acts 1965 to 2002 (now superseded by the Co-operative and Community Benefit Societies Act 2014) and as such is governed by its Rules most recently amended on 16th October 2019. These rules set out the objects of the Charity and are available from its website.

The financial statements follow the requirements of the revised Charities Statement of Recommended Practice (FRS 102) (second edition - October 2019) – 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 1 January 2019). For the purpose of charity law, both executive and non-executive directors are also the company's trustees and are responsible for making all major decisions on behalf of the company and are referred to throughout this report as directors.

The directors who served during the year or before the date of this report were:

Executive directors:

Pastor Pete Cunningham
Andrew Cunningham
Rory Paget-Wilkes
Simon Westmacott

Non-executive directors (NEDs):

Francis Goodwin
Alison Gelder
David Smith
Robert Sturgess-Durden
Graham Ball - appointed 25 August 2021
Roger Tucker - appointed 25 August 2021

Company secretary:

Rebecca Cunningham

Directors' interests

The executive directors' interests in the issued share capital of CBS were as stated below:

	Ordinary shares of £1 each	
	2022	**2021**
Pastor Pete Cunningham	334	334
Andrew Cunningham	333	333

The only other shareholder was AV Woodley, a founder, who held 333 shares at both year-end dates.

Main aim, objectives and activities

The vision of the CBS group is:

- to provide homes for the homeless and those in need, in every UK city, town and village;
- to eradicate homelessness in the UK through partnering with mainly Christian projects;
- to provide sustainable accommodation for the marginalised; and
- to provide pastoral and spiritual care and assistance for the homeless and those in most need.

The CBS group operates through buying and building property to house people who are sleeping rough or in unsuitable accommodation thereby providing those people, who have little in their lives that is secure, with a home. We partner with local churches and charities who rent and manage the property and provide each tenant with the specific support they need. As referred to elsewhere in this report, CBS added a net 220 beds in 2022 compared with 128 the previous year. By the end of February 2023, GP had added a net 171 beds since 1 April 2022 with a further 88 awaiting legal completion. CBS funds its activities through mortgages, bank finance, personal loans and the issue of unsecured loan stock paying up to 4% or 5% depending on the term and the lender's choice.

Organisation and management

The CBS group receives overall management and direction from its management committee and NEDs. The management committee consists of the executive directors. The NEDs provide greater transparency, accountability and direction. Decisions involving an executive director as a related party or otherwise having a potential conflict of interest are taken by the remaining directors including the NEDs. Any NED who is similarly conflicted does not vote on such decisions.

Our NEDs are unpaid apart from expenses and we hugely value their counsel and wisdom in providing a relatively detached view of our activities.

Recruitment, appointment, induction and training of new trustees

The current directors review this process and appoint new directors from time to time. An induction process is provided to new directors to ensure that they are aware of their responsibilities and understand the work of the charity. Ongoing training is provided for existing directors as and when required.

Strategic Report

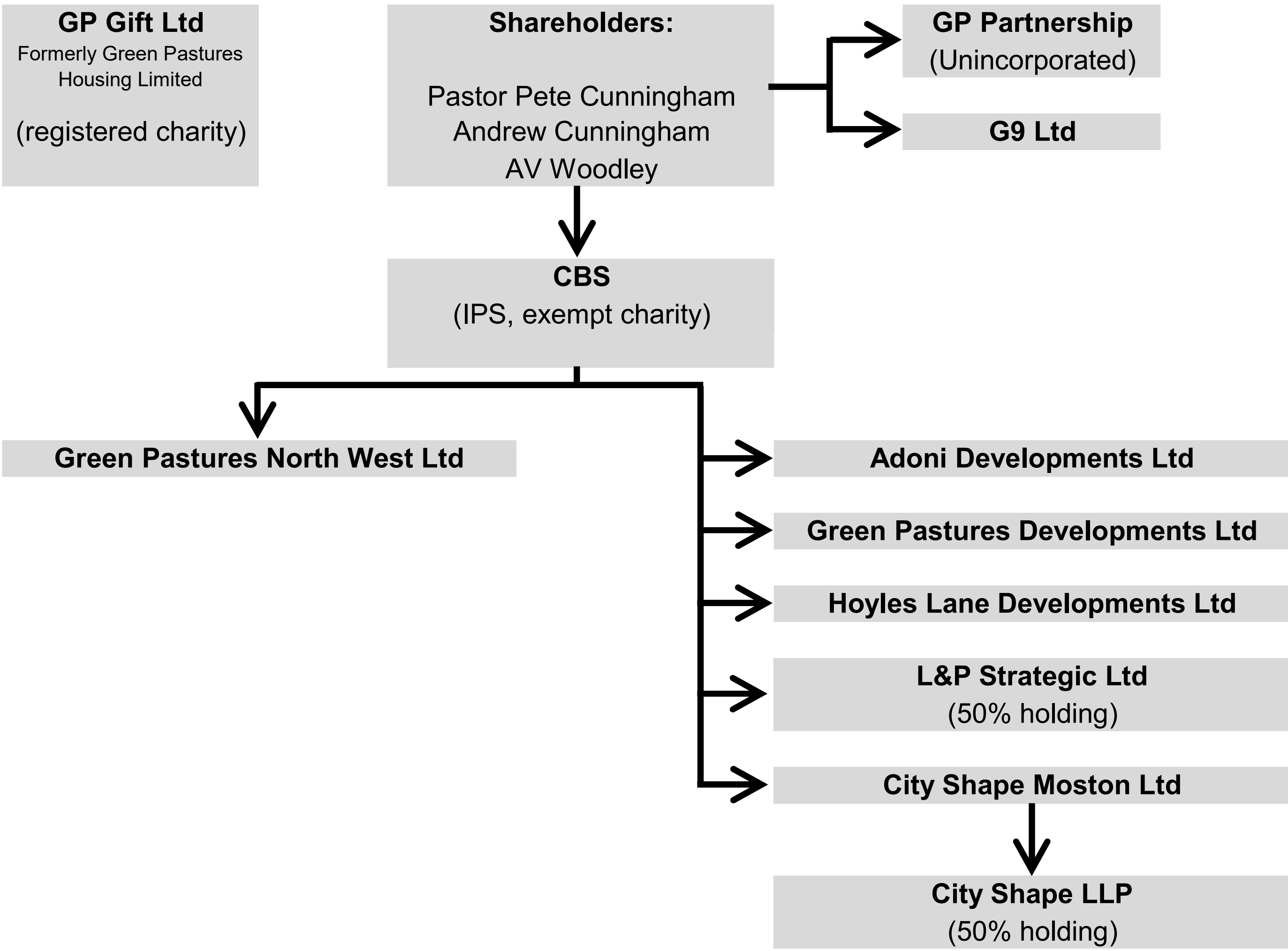
Achievements and performance - please refer to the Review of the Year on pages 5-7 of the Directors' Report.

Financial Review - for the financial review, refer to pages 7-9 of the Directors' Report.

Principal risks and uncertainties - for details of the principal risks and uncertainties facing the organisation refer to pages 10-11 of the Directors' Report.

Group structure

The CBS group consists of the parent company, CBS, subsidiaries and associated companies as shown on the group structure below. The three individuals who own the shares as shown on page 1 are also partners in Green Pastures Partnership which is also shown on the group structure below. G9 Limited has been incorporated to take over some of that business of the Partnership:



The objectives of Green Pastures North West Ltd (GPNW) shown above mirror those of the charitable group, Adoni Developments Ltd (Adoni), Green Pastures Developments Ltd (GPD), Hoyles Lane Developments Ltd (HLD), L&P Strategic Ltd, City Shape Moston Ltd and City Shape LLP are all involved in property development with the objective of supporting the activities of CBS.

GP Gift Ltd (formerly Green Pastures Housing Ltd) is a separate registered charity (charity number 1131468) whose primary purpose is to collect donations from individuals and organisations for housing the homeless, operate gift aid and pay these over to CBS and other parties. One of its trustees is the father of Rory Paget-Wilkes, a director of CBS, but it is otherwise independent from other Green Pastures entities. Green Pastures Partnership ("GPP") owns several properties housing homeless people and dates back to the origins of the Green Pastures operation in 1999. G9 Limited has been incorporated to carry out similar activities as a more appropriate vehicle from which to operate. For the purpose of clarity, GP Gift Ltd, GP Partnership and G9 Ltd are not included within the consolidated accounts as they do not form part of the charitable group despite operating in synergy to the group.

Public benefit

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's aims and objectives, and in considering future activities of the company and believe that they are in full compliance based on the activities described in this report.

The vision and objectives of the company are to eradicate homelessness in the UK and provide accommodation for the marginalised. To achieve this, we work with mainly Christian partners to establish projects and provide pastoral and spiritual care and assistance.

Our "partners" are those organisations, often churches, to which CBS lets its homes for the homeless on medium term leases, typically for 6 - 10 years. These partners will have already identified one or more tenants and an appropriate home which CBS will buy, subject to due diligence. The partner sublets to the homeless person(s) or family, mentors them and provides organisation and management to their lives, the objective being to bring the tenants to self-sufficiency. We see this provision of property as a releasing of churches to provide homes and support.

In the early days, we let property directly to homeless people and this is still the model in the local Southport area where we house more than 360 people. We now have other direct-let projects in Liverpool, Manchester and Derby where we have our own people on the ground rather than work through partners and plan to develop this into further towns and cities in the future. Further information is given under the "review of the year" section further ahead in this report.

All CBS assets are asset-locked, meaning they cannot be sold and the proceeds distributed outside the company. During the year all property purchased facilitated the provision of additional homes and support. Surpluses generated from subsidiary companies are utilised towards the core purpose. Partners provide pastoral support to tenants free of charge, sustaining tenancies. Support is wide ranging and varies across the partnerships depending on tenant backgrounds. Tenants range across families, addicts, ex-offenders, destitute asylum seekers, sofa surfers, families with disabilities regardless of age, gender or religion. One partner provides accommodation and support for addicted mothers with children enabling children to stay with their mothers rather than be put into care. Support includes assisting with household administration, ensuring doctor and hospital appointment attendance, food parcels, welfare to work programmes, encouraging access to wider church programs including Alpha, Celebrate Recovery, Community Awareness Programme, Sunday School, Youth, Cell Groups, Sunday Services and Volunteering. Some partners have accessed allotments to grow fruit and vegetables while others have started businesses so that residents can train to be economically self-sufficient. This work raises small funds to support partner ministries.

Development of commercial activity amongst tenants had always been one of our objectives and we have started a scheme with third parties which we hope will enable development of a model which can be rolled out nationally.

Public benefit (continued)

Whilst not quantified, this wide ranging support has a positive impact on the public purse by reducing prison population and assisting tenants back to work whether voluntary or paid. Tenants with addictions are offered support by professional services including rehabilitation. Our efforts are centred on homeless people and the wider issues surrounding the causes of homelessness so that such people can rebuild their lives and become socially and economically self-sustaining. This is not only fulfilling for them, but enables them to move on and release their GP home for someone else. We continue to seek improvement in our ministry and share best practice with all partners.

The annual partner conference is a great resource for partners to share experience and ideas, which results in greater impact. In 2021, we combined it with an investors' conference which we repeated this year with the venue booked to capacity at 200 delegates. These conferences have become immensely beneficial in developing contacts, providing feedback and generating mutual encouragement.

Corona virus (Covid-19)

The impact of Covid-19 on GP's operations has been remarkably slight, except for the handful of people who contracted it. We updated our loan stock investors shortly after the first lockdown explaining that our magnificent staff had done their utmost to keep operations running as normally as possible. Our investors replied with many encouraging messages and even increased their investments. All but a small amount of our rental income ultimately derives from the state so unless that source is compromised, we see the income risk as low. Our staff made the transition to and back from working from home where possible with relative ease to ensure the day to day operations continued to work as close to normal as possible.

Throughout all the lockdowns, we continued to buy properties as our partners worked around Covid restrictions and continued to house more homeless people. We also continued to provide remote pastoral support to our direct tenants and our partner lessees for the most part also quickly adapted. On the administrative front, we have been holding board and other meetings using WhatsApp and Zoom. This is likely to continue for many of our meetings because of the convenience factor and avoidance of travel. In recent months, the impact of Covid has much reduced notwithstanding the national surge in Omicron 4 and 5 variants.

Review of the year

The year to 31 March 2022 showed a net increase of 220 new bed spaces. During the year, we spent £10.8m on additional properties and sold six properties. The number of bed spaces is updated on our web site regularly; on 28 February 2023, the total stood at 1,538.

Review of the year (continued)

Notably during the year we started to operate through our newly-purchased Mattersey Hall allowing us to train up to 75 of our and our partners' residents founded on the values of service and sacrifice. The training we began to provide included NVQ's in social care, basic maths and English to name but a few so that we can unlock doors for our residents for a better future. We began with just a dozen students because this was a completely new start-up. The first year has exceeded expectations so we now have a model which we can promote widely during 2023. Our expectation is a surplus by 2023-24; meanwhile we will have to carry the additional costs of its operation to ensure that we prioritise the quality of what this offers our residents. Mattersey's residents continue to be entitled to their housing benefits unless they are being funded by another route.

We would not have come this far without the support, trust and faith in what we do from our stakeholders. The rewards have been plentiful in terms of the impact both on our tenants and the numerous local communities in which we operate.

The team at Green Pastures continues to work relentlessly in order to improve every aspect of what we do for our tenants and the corresponding impact this has in our communities. For this reason, it is not only the finances that are prioritised because we work with and for people in need, but the quality of provision is also important in order permanently to change our tenants' lives for the better.

During the year, we added three people to our partner manager team so that we continue to achieve growth by extending the network of church partners including handling prospective partner enquiries. We have also created several new senior posts and during the current year have added several more Partner Managers. We aim to bring about firm and lasting relationships personally with the partners in each town where we purchase homes. An important part of the partner liaison work is providing experience and knowledge to new partners who are leasing a property and supporting tenants for the first time.

Additional staff for promotional work brings to the forefront the development of loan stock investment through conference attendance, speaking engagements and newsletter releases enabling the wider Christian community to partner and invest with us. We continue to develop links with government ministers and departments and other charitable organisations. Current discussions with the Ministry of Justice involve the possible housing of ex-offenders. Our public relations work includes the development of our website, development of Twitter which attracts nearly 5,000 followers and YouTube videos.

Towards the end of the year, we became optimistic that New Wave CBS Ltd would donate to us some or all of its assets. These consisted mainly of a portfolio of properties which would be without cost, the reason being that the trustees wished to retire. In June 2022 the transfer of twelve of the fully-gifted properties was completed, followed by one more in December 2022. Including those where partial ownership was obtained the overall RICS valuation of these properties was £4m. We have since visited all of the tenants and received positive responses with Green Pastures being their new landlord. In addition to the properties, New Wave transferred approximately £65k in cash. We pray that their board will be blessed in their future endeavours.

This wonderful gift will increase our annual rental income by approximately £50k and increase our capital base by some £4m.

Review of the year (continued)

In summarising our operational achievements this year, Green Pastures has continued to improve its multiple bottom lines. As before, we can show what impact we have had, noticeably through our work in housing the homeless and helping the marginalised.

As a Christian Social Enterprise, we believe that faith is fundamental to having a full life. As in past years, several tenants found faith for the first time or their faith was renewed.

Our “Pathways – Welfare to Work” Program continues to provide opportunities for tenants to work voluntarily or part time paid. There are several tenants who have been working consistently for over a year.

Green Pastures has an aspirational target of creating 1 home for each home bought, achievement of which is likely to be dependent upon a stream of suitable development opportunities. We have set up a portal on our web site to handle development enquiries which, without any promotion, has generated more than 100 enquiries of which fewer than 10 may be convertible to viable projects. We have since introduced filters to the enquiry process to eliminate those which would not work for us.

Financial Review

A key concern for many businesses currently is whether they can continue as a going concern. Corona virus is now hopefully largely past but the new menace is the war in Ukraine with its impact on energy prices, cost of living and interest rates of which more in the subsequent sections of this report. On the other hand, we see the risk to our income as low and during the year, our income remained relatively stable. Core non-financial outgoings were relatively stable and if necessary, we can always scale back our property purchases to conserve cash flow. Loan stock investors have continued to support us, and we continue to buy bed spaces and develop property on a cautious basis. Property values have held up in the current climate so our balance sheet has not been compromised.

The results for the year and the state of the charitable group’s affairs as at 31 March 2022 are set out in the financial statements on pages 22 to 42. On a consolidated basis, our net income was £521K compared with £474K in 2021. At the year end total reserves stood at £8.67M compared to £7.22M in 2021.

This has increased mainly as a result of the sale of six properties in the year where their original cost price was far lower than their sale and generated a combined net surplus on sale of £549K. Given that our development subsidiaries contributed about £461K to our year's income we have utilised that to invest in the growth in staffing in each department throughout the year to set the right platform from which to establish larger levels of future growth. Without that additional surplus our growth targets would have had to be scaled back.

CBS has continued and expanded its growth programme by investing more than £500K in new people and pay increases which would not have been possible without the surpluses from property sales and developments. This recurring cost has been carried in our Statement of Financial Activities, so as the business grows, margins improve as the cost is spread.

Financial Review (continued)

We have supported Mattersey Hall, our new training centre, during its first year of operation while it has developed and refined what it has to offer. It is now able to market itself with the intention of building critical mass and become an income generator.

We are also continuing to invest heavily on new I.T. support services to handle our loan stock, CRM and property portfolio. These services will be scalable and should set us up well for the future.

As noted elsewhere, the directors' policy is to distribute profits from subsidiaries up to CBS because the very reason for their existence is to support the core business of providing homes for the homeless. We expect the consolidated position in March 2023 to show another material increase in group equity.

Stand-alone net current assets reduced to negative £2.7million mainly as a result of prior year loans that had been made to our development subsidiaries having been significantly repaid and the proceeds invested into the acquisition of new property. The cycle of investor loans means that more are due for renewal/reinvestment over the next 12 months than there were this time last year. Given the history of our investors' activities we expect around 70% of these to renew.

From time to time, we sell properties either because of an increase in value to an extent that there is advantage in selling and repurchasing elsewhere, or where CBS is left without a partner.

Loan stock intake has remained strong although somewhat reduced in recent months but if intake continues and increases, will enable us to fund property developments as well as planned property purchases without resorting to further bank borrowing.

Our 9% model is our target gross rental income on our properties and is made up as follows:

	%
Interest and capital	5.10
Operational costs	2.50
Maintenance	0.75
Insurance	0.17
Voids and bad debt	0.48
Total	**9.00**
Cyclical repairs	0.80
Business growth costs	1.00

The model is flexible and the component mix varies from property to property. In fact, our operational costs are rather higher than target as we invest in new capacity and expand into direct tenancies. Our strategy is to generate supporting income from other sources such as property development to provide a more sustainable base. We are constantly reviewing interest rates and our cost of funds; if interest rates do not reduce during the current year, we shall need to amend this model.

Financial Review (continued)

Further information about the impact of interest rates is given on page 10.

Cash management

CBS's policy is to hold liquid funds of approximately 10% of loan stock in issue to cover short term cash flow requirements. These liquid funds may be in the form of cash deposits or short term secured loans to third parties with a six-month call option or otherwise available by way of bank facility. The purpose of liquidity is to provide flexibility in cash management, in particular to enable the company to move quickly as opportunities arise and to meet loan stock repayments when due. Our weighted average term for loan stock has slightly increased from 4.30 years at 31 March 2021 to 4.36 years at 31 March 2022 as a result of new investments and renewals being committed for longer periods of time. We greatly appreciate this kind of support from our investors. Further information on loan stock is given under that heading further below.

Our 10% margin policy inevitably fluctuates according to the timing of property purchases, loan stock flows and short term loan flows; at the end of the year, cash plus loans out as a percentage of borrowings once again exceeded 10% but has since significantly reduced. These loans are an important contributor to the expense of holding cash which attracts only a meagre deposit rate from our bankers. We also needed cash to fund the Dundonald redevelopment which peaked at £5.9m in August 2021, subsequently reducing as flat sale proceeds came in. By the end of the year all but one flat had sold and the last one completed in June 2022. Of the site at Hoyles Lane, 4 out of 9 of the plots were sold by the end of the year and we have retained five as long term investments.

Loan stock

Loan stock is being accounted for as concessionary loans in accordance with the provisions of the Charities SORP, explained more fully in accounting policy 1.12. Investor interest in our loan stock remained healthy through the year. We are especially grateful to our investors for their outstanding response to our corona virus update after lockdown was introduced and for their continued support since then. Monthly figures are on our web site and reflect a net annual increase of outstanding Loan Stock of approximately £5.5m. We invite investors to support CBS by accepting rates lower than the standard 5% or 4% and to extend their term which has met an encouraging response. By 28 February 2023 the weighted average interest rate on loans had decreased to 4.06% compared to 4.13% at 31 March 2022, and the average term of investments had decreased slightly to 4.30 years from 4.36 years over the same period. As at 31 March 2022 the balance of issued CBS loan stock stood at £45.3m and by 28 February 2023 had increased to £47.2m.

Should investors wish unexpectedly to redeem their investment early and for good reason, CBS can usually accommodate such requests through its overall cash management arrangements. As at the balance sheet date, loan stock due for repayment within the next 12 months amounted to £16.2m. Longer term obligations stood at £29.1m.

Our financial model utilises property purchases funded mostly by loan stock and bank or mortgage loans, the latter typically accounting for approximately 30% of the total. New loan stock, bank and mortgage loans are also used to refinance existing facilities.

Bank loans

We are pleased that one of the major banks has continued to fund our property acquisitions. Regulatory impact has made bank loans with a committed term of more than 5 years prohibitively expensive, but we continue to benefit from maturity profiles of 25 years.

Interest rates

To purchase properties, we utilise funding from financial institutions and from our unsecured loan stock holders, some of whom choose a rate that is less than the current maximum offered rate of 5% or 4% depending on the term. Our bank borrowing includes £8.9m at variable rates so a rise of one quarter percentage point in interest rates adversely affect our current annual results by about £22.5k. As at 31 March 2022, the Bank's base rate was 0.75% having risen from 0.1% a year earlier but it is now (23 March 2023) 4.25% having risen 4 percentage points since 16 December 2021. The shift in interest rates has meant that the monthly interest cost for GP has risen by £20k since April 2022. The upside for interest rates appears to be becoming more limited, with inflationary pressures in the economy reducing overall, however we remain acutely aware of the impact of rising rates and have strategies in place coupled with past experience to mitigate the impact.

Business angels

Over recent years, business angels have provided GP with, in aggregate, a free standby facility of £1m. This finance only incurs expense when drawn down at 5% and provides additional financial resource for future purchasing or exceptional circumstances. This is a valuable facility and we are most grateful to our angels for providing it at no commitment cost.

Principal Risks and Uncertainties

The CBS group has undertaken a review of major risks to which it is exposed and monitors regularly. Budgets and management accounts have been prepared to ensure sufficient working capital is available to meet day to day requirements.

Green Pastures continues to review its risks including interest rate rises, house price and rent movements, government and local authority policy changes, investment trends and the needs and approaches of its stakeholders. These include partners, loan stock holders, bankers, employees and our suppliers such as builders, professional firms and others. Mitigation strategies implemented include holding liquidity, improving surpluses, identifying opportunities and purchasing swiftly to maximize advantage so that we can build our equity base. We also cultivate close relationships with our partners. We regularly review CBS's position as a going concern.

Property developments, referred to below under "Developments", have become a significant contributor to our growth. We are particularly mindful of the risk exposure which such projects can entail and our policy is always carefully to assess such exposure and to limit it to levels which the group can handle. Furthermore, the flow of development opportunities cannot be predicted with certainty: we currently have none in progress but two which we hope are moving slowly to fruition and several more in the pipeline.

In past years, CBS has been usefully served by rising property values. Our strategy, however, is not built upon those rising values. We do not envisage a fall in property values as negatively affecting our operating performance so long as government continues to pay adequate levels of housing benefit.

Principal Risks and Uncertainties (continued)

The risk of loan stock investors deciding not to renew or invest in the first place is mitigated by a regular review of rates of return offered, along with communication and engagement with investors in the form of correspondence and face-to-face events, such as our annual conference. The investment renewal rate (consistently above 70% on a rolling 12-month average) confirms that our processes in this area are effective.

The impact of Brexit and surges in demand following Covid has mainly been in the soaring cost of building materials which adversely affected our development of 9 houses in Hoyles Lane but they are now complete.

Going concern

Our income derives primarily from the state in the form of rents which have continued to flow. We have embarked on a programme of rent increases which typically occur every 3 years to coincide with Exempt Accommodation rate reviews and we are pleased with progress so far. We have had no defaults from our short term borrowers nor requests for interest deferral. Our handful of market-rate tenants have continued to pay their rent. The usual going concern factors therefore apply: provided the state keeps paying rents for our otherwise homeless people and our loan stock investors continue to support us, we do not envisage any difficulties. As always, if we are faced with a short term cash squeeze, we could call on our business angels and defer property purchases.

The consolidated balance sheet shows a net current liabilities position of £4.5m (2021: net current assets £1.7m). Prior to the Group's involvement in Developments in recent years, it consistently had a net current liabilities position because of the proportion of loan stock due in less than one year, so to an extent 2022 sees us reverting to the norm. The swing in the net assets position from 2021 to 2022 has arisen due to the realisation of cash from Developments (included within debtors as 'Amounts recoverable on contracts') during the year, which has now been invested in Fixed asset properties. Year on year there has been a change in the profile of loan stock ageing, with more investments in value terms falling due for renewal within one year at the balance sheet date than a year previously. Investor re-investment rates have consistently been above 70% on a rolling-12 month average basis up to March 2023, and this continued robustness through challenging economic times suggests there is no indication that this re-investment rate will fall. Despite this, in the event there was a significant fall in re-investment rates, the directors are confident that any cash requirements could be met by further financing or sale of unencumbered fixed asset property investments.

The rises in Bank of England base rates up to the balance sheet date and subsequent to that, have meant that the Charity's interest costs have increased substantially during the 2022-2023 year (its monthly cost increasing by £20k in February 2023 compared to April 2022). The projections reviewed by the directors conclude that despite the obvious detrimental effect to results, the interest rate increases can be accommodated by the Charity from a cash-flow and trading perspective. The potential upside for interest rates is reducing. Based on this the directors also conclude that it is appropriate for the financial statements to be prepared on the going concern basis.

Reserves

The nature of CBS's business means that its operating revenue streams are reasonably predictable in the form of rents. It has operating costs, particularly business development, that could be reduced if necessary. The need to provide operating reserves, for example against fluctuations in donor income, is therefore not great. As the business grows, operating surpluses are expected to improve which will be used to add to the capital base thereby providing flexibility in the application of our 9% model as well as enlarging the equity base to support future borrowing. The intention is also to provide a financial cushion to provide short term flexibility.

As previously mentioned, New Wave CBS Ltd has transferred the majority of its assets to GP after the year end at no cost, boosting our reserves by some £4m. On the other hand, our current year will have no property development profits nor windfall profits from property sales, so we expect an operating loss as our new arrivals continue to settle in and become productive.

The year end consolidated value of all reserves was £8.7m, all of these funds were unrestricted. These reserves are held to enable the Charity to continue to grow and work towards its aims and to address financial requirements as they arise. The directors consider that the amount of reserves held is appropriate for their future plans for the Charity.

Exempt accommodation

CBS group partners continue to help their residents to claim housing benefit under the regulations for Exempt Accommodation, a process in which Green Pastures provides extensive advice and guidance. This uncapped level of housing benefit includes the core landlord charge – the partner's lease payment to Green Pastures - set at the Local Market Level Rent. Setting the lease at this MLR level is often essential in meeting our 9% investment requirement. The funding of Supported Housing through the use of the Exempt Accommodation rates of Housing Benefit is currently under review. Government consultation white papers have proved inconclusive and the current funding model may, or may not, remain in place given current uncertainty over the new government's plans. Green Pastures encourages its partners to develop heathy, open and positive relationships with their local authority to maintain the levels of income that they need, whatever the outcome of the funding review. Most residents are now on Universal Credit. Where exempt accommodation is not applicable, residents receive a housing element included in their Universal Credit. It is possible for this housing element to be paid direct to the Landlord and this has been successfully achieved with Southport's direct tenants although not without difficulties.

Gifts

Green Pastures is immensely grateful for the almost £122,000 it received in gifts from across the country partly as a result of its actively seeking grant or gift funding during the year. At the beginning of 2013 we introduced a requirement for partners to commit their supporters to give to the CBS group over and above lease agreements. This is slowly improving the financial performance, increasingly so as CBS agrees more partners.

And of course we are humbled by and deeply appreciate New Wave's decision to donate the majority of its assets to CBS during the current year.

Savings

Operating costs, excluding interest, increased significantly as a percentage of income reflecting our capacity expansion during the year and other factors already mentioned. We have continued to incur additional costs on a new processing service to maintain our loan stock records on a more secure and accurate basis coupled with availability of a wide range of management data.

Valuations

Increases in valuations do not improve our operational financial performance but positively improve the balance sheet. All parts of the property portfolio are ordinarily subject to RICS valuations on a 5 year rolling basis so that over a period of time, all properties are professionally valued. At the year end, we had 35 properties out of well over 300 which had not been valued within the last 5 years and so due for a RICS valuation which were undertaken in May/June 2022. The rest have all been subject to our calculation process based on numerous house price indices, including that of the Land Registry. We regard this process as robust as we can make it and our CEO also carries out a sense check on each property. The result of this process was an uplift for the year of almost £0.9m compared with almost £1.5m in the previous year.

Developments

The core purpose of Green Pastures will not change from providing homes to support people who would otherwise be homeless. One part of our goal is to create new energy-efficient housing stock. Since 2009, we have created 91 new homes which have had success in providing homes for both homeless people and the open market. The redevelopment of Dundonald Church in Raynes Park, south-west London has provided a purpose-build church and 18 flats above for market sale, all of which are now sold and the church is open for worship. CBS used a special purpose vehicle, Adoni Developments Ltd, as developer and GP took the development risk in exchange for a share of the profits which in totality amounted to approximately £1.04m.

At our site at Hoyles Lane, Preston, we have invested part of a total of £2.1m to build 9 homes for a mixture of market sale and retention for investment. We have sold 4 out of the 9 homes and retained the rest.

Whilst financial performance is not GP's primary purpose, it is integral to the social enterprise success by expanding the capital base to fund our growth as an asset-based charity. Our policy is to expand our capital base in line with our increases in borrowing so as to maintain a reserve.

Fundraising

GP's policy has not been to solicit gifts of funds from individuals in the traditional sense either in-house or through third-party agencies. It has not received any complaints in this regard.

Reporting

This year we have grown to a medium sized group for reporting purposes. This means there are required pieces of text which the directors would not have chosen to write and in some cases they regard as confusing, notably in accounting policy 1.12, where there is reference to "carrying value adjusted", and Note 16. In practice, for the year under review, these notes simply mean that GP records all transactions at par value.

Going forward

We live in probably the most uncertain times since the Cuban crisis in 1962. The impact of the war in Ukraine has been well documented which coupled with Brexit and covid has sent the availability of many consumables we take for granted down and their costs up. The impact on cost of living is in the forefront of almost every news bulletin. In the spring, we took a decision to give all our tenants £400 towards the additional costs of heating this winter; this will be adjusted depending on how new Government policies develop. In view of these and financial uncertainties, we have decided to postpone the filling of a further 8 new Partner Manager roles until the latest new arrivals have become effective.

Otherwise, our strategy to maintain growth costs, develop strategic promotions and increase reserves continues to show social and financial dividend. Partner enquiries for bed provision continue encouragingly to flow and we are well placed with further increased capacity to provide homes and support and look forward to improving significantly on the figure of 220 net bed spaces for 2022. For the year ending 31 March 2023 we are targeting an increase of 450 beds. We are currently budgeting an average bed space cost of £45,000 although this is likely to increase and, as always, assessing how we might better expand the business. We have taken on a further three business development, or partner managers, to extend our geographical coverage in the year and are delighted that our first Marketing Manager that joined in November 2021 is settling in well and starting to push forward the awareness of homelessness in the UK and how Green Pastures can help.

During the year, we have adopted a more cohesive staffing structure aimed at team members having more insights into the activities of other teams. This is aimed at cross fertilisation of ideas as well as appreciating the key issues which other staff face. We expect this to improve our efficiency and staff satisfaction. We are also focusing in more detail on business development to bring in more partners and investors which requires different skills from relationship maintenance and support. Our new property management software is also coming on line well with a dedicated person hired to run it.

Our forecast targets are prayerfully considered and influenced by existing and new partner appetite, loan stock investment, bank and economic trends and head office capacity. Our discussions with central government over the possibility of providing homes for migrants on a programmed basis has yet to produce any results although we estimate that around 10% of our tenants are migrants.

Our direct expansion into Liverpool, with operating costs raised by a third party, has yielded encouraging results and we are extending the approach to Manchester and elsewhere.

New properties continue to be acquired using our 9% model; although this has been challenging in some areas, in others we have marginally exceeded it. As already mentioned, we are keeping this model under careful review.

Payroll costs have increased by about 100% partly because of an expansion in administration and finance staff, partly because of pay rises and partly the investment into new partner managers to accommodate future growth.

In summary, we are continuing to improve efficiency, settle in new staff, bring in more investors and homeless people whilst keeping a careful watch as events unfold around us.

Independent directors and mentors

The executive board routinely meets 8 times during the year during which the NEDs are invited to attend twice. Once a year, CBS group executive directors have a strategic meeting. This combination is assisting the board to monitor, budget and adjust thereby becoming more efficient, enabling it to provide more homes and support. We also refer all material transactions where there is, or might perceived to be, a conflict of interest to the NEDs as and when necessary.

Early in 2021, we decided to invite our loan stock holders to put themselves forward as NEDs and then invited holders to select two from a short list. We are delighted that the elected pair have since joined our board and are benefiting from their experience, wisdom and faith.

Pay and remuneration

The remuneration of key management personnel is set by the executive board members with reference to HR advisers and benchmarking information. The remuneration of the executive directors is set by a sub-committee of the non-executive directors.

Related party transactions

Full details of related party transactions are set out in Note 20. The more noteworthy are mentioned here. Andrew Cunningham, a director of and shareholder in CBS, is also director and, with his wife, a controlling shareholder in Andrew Cunningham Building Design Ltd (ACBD) which has had contractual relationships with borrowers of funds from CBS at various times as previously reported as well as with CBS itself. Rebecca Cunningham, Andrew's wife, is also employed by CBS.

ACBD is an architectural practice and work carried out by ACBD for the group is invariably at or below market rates and material amounts are approved by the NEDs.

A former director of Green Pastures Developments Ltd, now dissolved, has confirmed he accepts responsibility for a loan secured on his house and which originally was to a company controlled by him. At the year end, the balance of the loan stood at £131,810.

Conclusion

Green Pastures continues to be a faith-based social enterprise. The directors continue to create an environment that allows faith to operate. Good stewardship is also critical to GP's ability to fulfil its core purpose. We continue to strive to be good stewards. The team of founders, directors, independent directors, mentors, staff and volunteers remains steadfast to future challenges. There is a wealth of faith, ability and passion throughout Green Pastures that also encompasses partners, investors and givers. This team is well placed to meet the issues outlined and continue the journey of eradicating homelessness.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. observe the principles and methods in the Charities SORP;
c. make judgements and accounting estimates that are reasonable and prudent; and
d. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enables them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The re-appointment of Mazars LLP as our auditors will be put forward at the Annual General Meeting.

Approval

In approving the Directors' Report, the directors are also approving the Strategic Report therein in their capacity as company directors.

This report was approved by the Directors on Apr 27, 2023 and signed on their behalf by:

Peter Cunningham
Peter Cunningham (Apr 27, 2023 14:32 GMT+1)

…..............................
Pastor Pete Cunningham
Director

Opinion

We have audited the financial statements of Green Pastures CBS Limited (the ‘parent charity’) and its subsidiaries (the ‘group’) for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and of the parent charity’s affairs as at 31 March 2022 and of the group’s surplus 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 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969.

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 charity 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 directors’ 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 Group’s and parent charity'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 directors 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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of the Directors

As explained more fully in the Statement of the Director's Responsibilities set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the Group's and parent charity'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 directors either intend to liquidate the Group or parent charity 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK tax legislation, pension legislation, employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of amounts due under long terms contracts, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

N J Wakefield
Nicola Wakefield (Apr 28, 2023 12:46 GMT+1)

....
Nicola Wakefield (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Dated: Apr 28, 2023 ....

GREEN PASTURES CBS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	**2022** Unrestricted and total funds £	**2021** Unrestricted and total funds £
Income and endowments from:			
Donations and legacies	**2**	121,508	27,962
Charitable activities	**3**	4,175,878	3,542,287
Other trading activities	**4**	5,006,262	8,010,349
Investment income	**5**	525,341	466,121
Other		67,515	12,639
Total		**9,896,504**	**12,059,358**
Expenditure on:			
Raising funds		420,992	127,750
Trading activities		4,210,837	7,510,349
Charitable activities		5,292,929	3,931,515
Other		-	-
Total	**6**	**9,924,758**	**11,569,614**
Operating (deficit) / surplus		**(28,254)**	**489,744**
Corporation tax credit		-	84
Net gain / (loss) on disposal of investments		549,101	(15,526)
Net income		**520,847**	**474,302**
Other recognised gains		43,366	43,366
Gains on revaluation of investments		880,588	1,499,773
Net movement in funds		**1,444,801**	**2,017,441**
Reconciliation of funds			
Total funds at 1 April 2021		7,222,489	5,205,048
Total funds at 31 March 2022		**8,667,290**	**7,222,489**

The group has no restricted or endowment funds.
All amounts shown relate to continuing operations.
The notes on pages 26 - 42 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 Unrestricted and total funds £	2021 Unrestricted and total funds £ (as restated)
Fixed assets:			
Negative goodwill	11.3	(130,102)	(173,468)
Equipment and vehicles	11.1	85,170	41,947
Land and buildings	11.1	55,947,359	46,003,536
Investments	12.1	500	500
Total		**55,902,927**	**45,872,515**
Current assets:			
Debtors	13	2,676,784	8,017,804
Investments	12.2	6,268,009	4,997,589
Cash at bank and in hand		4,650,293	3,680,408
Total		**13,595,086**	**16,695,801**
Current liabilities:			
Amounts due within one year	14	**(18,170,661)**	**(14,963,690)**
Net current (liabilities) / assets		**(4,575,575)**	**1,732,111**
Total assets less current liabilities		**51,327,352**	**47,604,626**
Long term liabilities:			
Amounts due after one year	15	(42,660,062)	(40,382,137)
Net assets		**8,667,290**	**7,222,489**
Capital and reserves			
Share capital	17	1,000	1,000
Unrestricted income funds	19	1,653,156	1,088,943
Revaluation reserves	19	7,013,134	6,132,546
Total funds		**8,667,290**	**7,222,489**

The notes on pages 26 - 42 form part of these financial statements.

The financial statements were approved by the board on Apr 27, 2023

Andrew Cunningham (Apr 27, 2023 15:22 GMT+1)

Simon Westmacott

Simon Westmacott (Apr 27, 2023 13:45 GMT+1)

……………………………

Andrew Cunningham
Director

……………………………

Simon Westmacott
Director

……………………………

Rebecca Cunningham
Secretary

CHARITY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 Unrestricted and total funds £	2021 Unrestricted and total funds £ (as restated)
Fixed assets:			
Equipment and vehicles	**11.2**	84,924	41,619
Land and buildings	**11.2**	48,837,890	39,194,093
Investments	**12.1**	400,900	400,800
Total		**49,323,714**	**39,636,512**
Current assets:			
Debtors	**13**	590,725	956,156
Amounts owed by group companies		4,139,605	8,390,390
Investments	**12.2**	6,268,009	4,997,589
Cash at bank and in hand		3,981,798	3,578,126
Total		**14,980,137**	**17,922,261**
Current liabilities:			
Amounts due within one year	**14**	**(17,699,840)**	**(14,232,311)**
Net current (liabilities) / assets		**(2,719,703)**	**3,689,950**
Total assets less current liabilities		**46,604,011**	**43,326,462**
Long term liabilities:			
Amounts due after one year	**15**	(39,570,950)	(37,205,838)
Net assets		**7,033,061**	**6,120,624**
Capital and reserves			
Share capital	**17**	1,000	1,000
Unrestricted income funds	**19**	1,077,019	861,098
Revaluation and other reserves	**19**	5,955,042	5,258,526
Total funds		**7,033,061**	**6,120,624**

The notes on pages 26 - 42 form part of these financial statements.

The financial statements were approved by the board on Apr 27, 2023

Andrew Cunningham (Apr 27, 2023 15:22 GMT+1)
Simon Westmacott
Simon Westmacott (Apr 27, 2023 13:45 GMT+1)

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Andrew Cunningham **Director**

Simon Westmacott **Director**

Rebecca Cunningham **Secretary**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	Unrestricted and total funds	Unrestricted and total funds
	£	£
Cashflows from operating activities:		
Net income	1,444,801	2,017,441
Adjustments for:		
Depreciation	26,681	13,982
Amortisation	(43,366)	(43,366)
(Gain) on investments (unrealised)	(880,588)	(1,499,773)
(Gain) / loss on investments (realised)	(549,101)	15,526
Interest income	(525,341)	(466,121)
Interest expense	2,297,776	1,944,686
Trade and other receivables	4,070,600	(6,989,855)
Trade and other payables	(4,318)	306,443
Cashflows generated from / (used in) operations	**5,837,144**	**(4,701,037)**
Interest paid	(2,297,776)	(1,944,686)
Tax credited	-	84
Net cashflow from operating activities	**3,539,368**	**(6,645,639)**
Cashflows from investing activities		
Purchase of property and equipment	(10,872,780)	(5,829,828)
Proceeds on disposal of property and equipment	2,661,311	958,733
Interest received	525,341	466,121
Cashflows (used in) investing activities	**(7,686,128)**	**(4,404,974)**
Cashflows from financing		
Capital repayments	(4,454,779)	(3,116,549)
Proceeds from new loans	9,571,424	11,970,092
Cashflows generated from financing activities	**5,116,645**	**8,853,543**
Net increase / (decrease) in cash	**969,885**	**(2,197,070)**

	At 31 March 2021	Cashflows	Non cash movements	At 31 March 2022
Cash at bank	3,680,408	969,885	-	4,650,293
Loans falling due within one year	(13,279,365)	(3,211,289)	-	(16,490,654)
Loans falling due after one year	(39,673,027)	(2,166,754)	-	(41,839,781)
Net cash	**(49,271,984)**	**(4,408,158)**	-	**(53,680,142)**

1 Accounting policies

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommendation Practice, “Accounting and Reporting by Charities”, effective from 1 January 2019. Green Pastures CBS Limited is a public benefit entity as defined in FRS 102 and applies the relevant paragraphs pre-fixed ‘PBE’ in FRS 102. As a charity, CBS is required to show restricted, unrestricted and endowment funds separately but all its funds are unrestricted.

CBS is an Industrial and Provident Society incorporated as a registered company with exempt charitable status with company number IP31116R. The registered office address is: 9 Mornington Road, Southport, PR9 0TS.

The principal activity of CBS is to house the homeless.

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of Green Pastures CBS Limited and its subsidiaries. The results of the subsidiaries are consolidated from and up to the date of change of control. Where necessary, accounting policies of subsidiaries have been aligned with the policies adopted by the group. All intra-group transactions including any gains or losses, income or expenses are eliminated in full on consolidation.

The consideration for subsidiaries is measured at fair value, which is the aggregate of the fair values of the assets transferred, liabilities incurred or assumed and the value of the consideration issued in exchange for control of the acquiree. The acquiree’s identifiable assets and liabilities are recognised at their fair value at the acquisition date.

Where the assets and liabilities of subsidiaries have been hived up to the parent charity, the original cost of those subsidiaries is permanently written off.

Goodwill arising on acquisition is recognised as an asset and measured at cost, representing the excess of the aggregate of the consideration and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the fair values of the identifiable assets and liabilities at the date of acquisition. Negative goodwill of £433,664 has arisen on the acquisition of GPNW and is being transferred to profit and loss in 10 equal annual instalments which began in 2016.

CBS and its subsidiary undertakings comprise a medium-sized group; individual financial statements have been prepared for each company of the group and are available on application to the company secretary.

The joint venture with City Shape Moston Limited has not been included in the consolidation this year on the grounds of it being immaterial, as with the dormant subsidiary company, Green Pastures Developments Limited for the same reason.

1.2 Basis of consolidation (continued)

The parent and subsidiary companies, along with a description of their principal activity, are listed as follows (each company operated within the UK): -

Parent

Green Pastures CBS Limited	- housing the homeless

Subsidiaries (each has 100% ownership by the parent company above)

Adoni Developments Limited	- property development
City Shape Moston Limited	- dormant
Green Pastures Developments Limited	- dormant
Green Pastures North West Limited	- housing the homeless
Hoyles Lane Developments Limited	- property development

1.3 Going concern

On a consolidated basis, CBS generated an operating surplus (net income) of £520,847 in 2022 compared with a surplus of £474,302 after tax in 2021. The group has a number of properties which are available for sale as well as several unencumbered properties. The directors have produced and reviewed cash-flow forecasts which take into account the potential further increases in interest rates and the current pressures on the economy, and these coupled with continued resilience in investor interest, allow them to conclude that there are considered to be no material uncertainties relating to going concern.

The consolidated balance sheet shows a net current liabilities position of £4.5m (2021 - net current assets £1.7m). This has arisen due to two main factors: 1) The realisation of cash from Developments (included within debtors as 'Amounts recoverable on contracts') during the year, which has now been invested in Fixed asset properties and 2) a change in the profile of loan stock investors, which has seen more investors choosing shorter-term investments than in previous years. Investor re-investment rates have consistently been above 70% on a rolling-12 month average basis up to March 2023, and this continued robustness through challenging economic times suggests there is no indication that this re-investment rate will fall. Despite this, in the event there was a significant fall in re-investment rates, the directors are confident that any cash requirements could be met by further financing or sale of unencumbered fixed asset property investments. Based on this the directors also conclude that it is appropriate for the financial statements to be prepared on the going concern basis.

1.4 Significant judgements and estimations

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. 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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Key areas of judgement include:

- The useful lives of intangible and tangible assets: determined with reference to internal data, such as sales pipelines and expectations as well as past experience;
- by independent surveyors on an average rolling 5 year basis per property and in the interim, average house price index movements are used to determine any annual upward or downward movement in valuation on a per property basis. Furthermore, the director responsible reviews each property on a sense-check basis; and
- The recoverability of investments: the directors monitor loans out on a regular basis. All of a material sum are secured on real estate with a realisable value which the directors consider to be adequate.

1.5 Income

Donations and gifts are recognised when received. Donated facilities are included at the value to CBS where this can be quantified and a third party is bearing the cost.

Income from charitable activities represents rental income from the land and buildings and are generally recognised as the rental agreement progresses so that for ongoing agreements it reflects the partial performance of the contractual obligations. For such agreements the amount of income reflects the accrual of the right to consideration by reference to the value of rental due according to each rental agreement. Rents and other income due and not received nor billed to clients are included in debtors; payments on account in excess of the relevant amount due are included in creditors.

Where property is provided rent-free or at a discount, a RICS-assessed rental income is recognised, offset by a charitable gift to the lessee as an expense.

Activities for generating funds represents the trade turnover from the trading subsidiary companies. This turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Income (continued)

Profit is recognised on long-term contracts and included in activities for generating funds, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. This turnover is calculated as that proportion of the total contract value which costs to date bear to total expected costs for that contract. Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Any excess payments are included in creditors as payments on account.

Investment income represents interest income on bank balances held during the year along with interest chargeable on loans made to various individuals and organisations to offset the cost of maintaining liquid funds.

1.6 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. So far there has been one activity, housing the homeless, except for property development carried out in subsidiary companies.

Fundraising costs are those incurred in growing CBS and largely comprise business promotion amongst potential investors and partners. Support costs are those costs incurred directly in support of expenditure on the objects of CBS and include project management carried out at headquarters. Management and administration costs are those incurred in connection with CBS and compliance with the constitutional and statutory requirements.

Fundraising trading: costs of goods sold represents the cost of sales incurred by the trading subsidiaries and is shown under raising funds in the SOFA.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, costing more than £1,000 are capitalised and are stated at cost (including any incidental expenses of acquisition) or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	- not depreciated
Freehold buildings	- 0% on cost (on the basis that routine valuations resulting in impairment are charged against revaluation reserves)
Fixtures, fittings and equipment	- 25% reducing balance basis
Motor vehicles	- 25% reducing balance basis

Land and buildings are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Land held for development represents the cost of land acquired plus subsequent expenditure e.g. on planning applications which the directors intend to develop within a subsidiary trading company within the foreseeable future or to sell on to third parties.

1.8 Current asset investments

Current investments are valued at par at the balance sheet date (see also note 12.2).

1.9 Properties

The group buys properties to house homeless people; these are considered to be assets held to further the charitable purpose. These range from single one-bedroom flats to apartment blocks and may arise as existing buildings or from development. All acquisition costs including upgrades to meet current regulations are capitalised. No depreciation is provided on land or buildings but their values are continuously monitored with a rolling programme of RICS valuations covering all properties at intervals of not more than 5 years. In addition, movements in property values by region and type are collected from several sources and aggregated. The resultant movement is then applied across the portfolio to properties which have not had a RICS valuation during the year. The cost of internal equipment with a finite life such as alarms is expensed as incurred.

1.10 Funds

Unrestricted funds are funds which are available for use at the discretion of the directors in furtherance of the general objectives of CBS for particular purposes. The group has no restricted or endowment funds nor are any of its unrestricted funds designated. The cost of raising and administering its funds is therefore not charged against any specific fund.

1.11 Cash and cash equivalents

Cash and cash equivalents on the balance sheet consist of cash at the bank and on hand as at the balance sheet date.

1.12 Concessionary loans

The entity regularly receives social investments in the form of loans made by external investors. The interest rate payable on these loans is selected by the lender from predetermined rates, currently ranging from 0% to 5%. As these rates are generally considered to be below a market interest rate for similar unsecured financing and because the lenders are providing these loans to further the charitable objectives of CBS, these loans are considered to be concessionary loans. Concessionary loans are defined as loans made at interest rates lower than the current market level at the election of the investor and are not made solely to achieve a financial return. Social investments are initially recognised and recorded at the amount received with the carrying amount adjusted in subsequent years to reflect capital & interest repayments, as well as and any accrued interest due to the investor.

Concessionary loans are presented under ‘Other loans’ within amounts falling due within one year or after one year depending on the maturity date of the investment. Accrued interest on concessionary loans is included within ‘Accruals’ and split depending on the terms of the loan and the expected repayment date of any interest due. All concessionary loans are recorded at par value.

2 Donations and gifts received

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Donations and gifts	121,508	27,962	610,646	114,512

3 Income from charitable activities

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Housing the homeless	4,175,878	3,542,287	3,661,861	3,041,409

4 Other trading activities

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Property development	5,006,262	8,010,349	-	-

This activity represents the property development trading turnover of Green Pastures Developments Limited, Adoni Developments Limited and Hoyles Lane Developments Limited.

5 Investment income

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Interest receivable	525,341	466,121	889,198	626,293

6 Expenditure analysis

An analysis of expenditure is set out below:

	2022 £	2021 £
Salaries	911,499	610,057
Rent and rates	23,953	16,635
Bad debts	69,673	140,851
Property maintenance	619,259	372,576
Utilities, rates and insurance	274,011	173,024
Loan interest paid	2,297,776	1,944,686
Subsidiary trading costs	4,210,837	7,510,349
Support costs (note 7)	952,380	595,862
Other costs	565,370	205,574
	9,924,758	11,569,614

7 Support costs

	2022 £	2021 £
Governance	47,896	37,570
Management and administration	172,975	101,594
Finance and legal	327,596	339,813
Business development including lessee liaison	403,913	116,885
	952,380	595,862

Governance costs include audit fees of £31,644 (2021 - £25,000) and fees to the auditors for non-audit tax compliance work of £6,300 (2021 - £6,060).

8 Directors

None of the directors (or any persons connected with them) received any remuneration during the year except as otherwise shown on the next page. Directors' travel and other expenses reimbursed to the directors listed overleaf totalled £11,438 paid between 5 directors (2021 - £4,357 paid between 5 directors)

9 Employees

The average monthly number of paid employees during the year was:

	2022 Number	2021 Number
Governance	4	4
Management and administration	63	45
	67	49

9 Employees (continued)

Total staff costs recognised in the year	2022 £	2021 £
Wages and salaries	1,286,768	839,878
Social security costs	83,127	63,892
Pension costs	18,634	13,147
	1,388,529	916,917

The number of employees whose total employee benefits (excluding employer pension and national insurance costs) for the reporting period amounted to over £60,000 was as follows:

	2022 Number	2021 Number
£60,001 - £70,000	1	-
	1	-

During the year A Cunningham received a gross salary of £50,000 (2021 - £24,000) for his work within CBS but not as his role as a charity trustee. His wife also received a gross salary of £28,087 (2021 - £27,227) for her work within CBS. During the year R Paget-Wilkes received a gross salary of £60,612 (2021 - £46,113) for his work within CBS but not as his role as charity trustee. During the year S Westmacott received a gross salary of £49,625 (2021 - £36,535) for work within CBS but not as a charity trustee and consultancy fees of £34,690 (2021 - £35,585) and Pastor Peter Cunningham received a gross salary of £35,625 (2021 - £23,972) for his work promoting the charity but not as a trustee. All of these were permitted through the Rules of the society and totalled £258,639 (2021 - £193,432).

Directors

Key management and personnel are considered to be the directors as listed below.

Andrew Cunningham, part time director, is one of the founders and leads on all major decisions, particularly those relating to policy and property acquisitions. He also runs his own architectural services practice through Andrew Cunningham Building Design Ltd.

Pastor Peter Cunningham, director, one of the founders who in addition to being a pastor at Shoreline Community Church, is actively engaged in building contacts and relationships with other Christian organisations and politicians.

Vicki Woodley, one of the founders, is currently responsible for maintaining records of loan stock investors. She also maintains relationships with investors, handling enquiries from existing and potential investors and has largely completed handing over this process to Louise Marcus.

Rory Paget-Wilkes, part time director, works with the partner liaison team responsible for finding and engaging new ‘partners’, i.e. lessees of Green Pastures properties which support and mentor tenants. The team also works to interest new investors in Green Pastures loan stock.

Simon Westmacott, part time director, is a Chartered Accountant responsible for financial and legal matters. He oversees the accounts department as well as being involved in strategic financial decisions, relationships with auditors, legal matters and third party agreements.

Six non-executive directors are invited to board meetings every six months. They are also invited to decide on any matters where there is a potential conflict of interest with executive board members and on any major decisions.

10 Taxation

As an exempt charity, Green Pastures CBS Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects under HMRC reference XT27103. CBS has trading subsidiaries which are chargeable to tax to the extent that they have not gifted their taxable profits to CBS.

11.1 Consolidated tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Land and buildings £	Land held for developing £	Total £
Cost or valuation					
At 1 Apr 2021	92,480	8,060	46,003,536	-	46,104,076
Additions	36,850	35,554	10,800,376	-	10,872,780
Disposals	-	(2,500)	(2,109,710)	-	(2,112,210)
Revaluations	-	-	1,253,157	-	1,253,157
At 31 Mar 2022	129,330	41,114	55,947,359	-	56,117,803
Depreciation					
At 1 Apr 2021	52,269	6,324	-	-	58,593
Charge for year	19,265	9,125	-	-	28,390
On disposals	-	(1,709)	-	-	(1,709)
At 31 Mar 2022	71,534	13,740	-	-	85,274
Net book value					
At 1 Apr 2021	40,211	1,736	46,003,536	-	46,045,483
At 31 Mar 2022	57,796	27,374	55,947,359	-	56,032,529

Comparable historical cost for the land and buildings included at valuation:

	Land and buildings £	Land held for developing £	Total £
Cost	49,592,504	-	49,592,504
Accumulated depreciation	-	-	-
At 31 Mar 2022	49,592,504	-	49,592,504

Of the total value of land and buildings at the year end, £27.92m (49.9%) were valued as at 31 March 2022 or earlier by independent firms of RICS qualified chartered surveyors on an open market basis and £28.03m (50.1%) were valued at cost or on a house price index movement basis by the directors. No depreciation is provided in respect of these land or buildings.

Land and buildings includes property at a cost of £351,413 on which the tenant has a call option for 10 years from 3 February 2017 which requires that it be shown as a finance lease; it is hereby disclosed as such.

11.2 Charity tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Land and buildings £	Land held for developing £	Total £
Cost or valuation					
At 1 Apr 2021	86,124	8,060	39,194,093	-	39,288,277
Additions	36,850	35,554	10,615,672	-	10,688,076
Disposals	-	(2,500)	(2,039,710)	-	(2,042,210)
Revaluations	-	-	1,067,835	-	1,067,835
At 31 Mar 2022	122,974	41,114	48,837,890	-	49,001,978
Depreciation					
At 1 Apr 2021	46,241	6,324	-	-	52,565
Charge for year	19,183	9,125	-	-	28,308
On disposals	-	(1,709)	-	-	(1,709)
At 31 Mar 2022	65,424	13,740	-	-	79,164
Net book value					
At 1 Apr 2021	39,883	1,736	39,194,093	-	39,235,712
At 31 Mar 2022	57,550	27,374	48,837,890	-	48,922,814

Comparable historical cost for the land and buildings included at valuation:

	Land and buildings £	Land held for developing £	Total £
Cost	43,886,759	-	43,886,759
Accumulated depreciation	-	-	-
At 31 Mar 2022	43,886,759	-	43,886,759

11.3 Negative goodwill

	2022 £
Negative goodwill arising	
At 1 April 2021 and 31 March 2022	(433,664)
Amortisation	
At 1 April 2021	260,196
Charge for year	43,366
At 31 March 2022	303,562
Net book value	
At 1 April 2021	(173,468)
At 31 March 2022	(130,102)

Negative goodwill relates to the purchase of Green Pastures North West Limited in 2015. This amount is being amortised over a period of 10 years.

12 Investments

12.1 Holdings of more than 20%

The company held at the balance sheet date more than 20% of the share capital of the following companies at an aggregate cost of £400,900 (subsidiary undertakings: £400,400, joint venture: £500):

Subsidiary undertaking	Company No.	Class	Shares held (%)
Adoni Developments Limited (Adoni)	09044657	Ordinary	100
City Shape Moston Limited (CSM)	13419287	Ordinary	100
Green Pastures Developments Limited (GPD)	13553745	Ordinary	100
Green Pastures North West Limited (GPNW)	04523510	Ordinary	100
Hoyles Lane Developments Limited (HLD)	12364626	Ordinary	100

Joint venture	Company No.	Class	Shares held (%)
L&P Strategic Limited (L&P)	12236756	Ordinary	50

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as shown overleaf:

12.1 Holdings of more than 20% (continued)

Undertaking	Principal activities	Total assets £	Total liabilities £	Capital and reserves £
Adoni	Property development	1,002,758	452,598	550,160
GPD	Dormant	100	-	100
GPNW	Housing the homeless	7,270,901	5,656,386	1,614,515
HLD	Property development	1,590,611	1,780,992	(190,381)
City Shape Moston	Dormant	100	-	100
L&P (Joint venture)	Dormant	1,000	-	1,000

Undertaking	Principal activities	Total income	Total expenditure £	Profit / (loss) for the year £
Adoni	Property development	4,082,839	3,478,798	604,041
GPD	Dormant	-	-	-
GPNW	Housing the homeless	591,404	468,631	122,773
HLD	Property development	973,422	1,116,395	(142,973)
City Shape Moston	Dormant	-	-	-
L&P (Joint venture)	Dormant	-	-	-

12.2 Current asset investments

Current asset investments comprise short term secured loans to third parties, usually at 10% interest. The only material exception is a £60,000 unsecured loan to Lighthouse Homes of Rotherham for renovations to properties leased by CBS. Lighthouse Homes rents 60 bed spaces from CBS and a large part of the loan is likely to be transferred to CBS's property acquisition cost.

13 Debtors

	Consolidated		Charity	
	2022 £	2021 £	2022 £	2021 £
Amounts recoverable on contracts	2,025,000	6,443,634	-	-
Trade debtors	366,018	662,893	339,211	239,120
Other debtors	91,011	551,416	91,011	548,355
VAT debtor	25,111	182,167	-	-
Prepayments and accrued income	169,644	177,694	160,503	168,681
	2,676,784	8,017,804	590,725	956,156

14 Creditors: amounts falling due within one year

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	296,318	273,649	218,555	201,929
Other loans	16,194,336	13,005,716	16,187,908	12,999,289
Trade creditors	95,207	184,082	52,691	160,097
Other creditors	133,036	14,132	130,697	13,112
Accruals	1,418,243	1,470,616	1,076,649	844,589
Taxes and social security	33,521	15,495	33,340	13,295
	18,170,661	14,963,690	17,699,840	14,232,311

15 Creditors: amounts falling due after one year

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	12,749,576	12,904,779	9,660,464	9,728,480
Other loans	29,090,205	26,768,248	29,090,205	26,768,248
Accruals	820,281	709,110	820,281	709,110
	42,660,062	40,382,137	39,570,950	37,205,838

Analysis of loans

Total loans	58,330,435	52,952,392	55,157,132	49,697,946
Included in current liabilities	(16,490,654)	(13,279,365)	(16,406,463)	(13,201,218)
	41,839,781	39,673,027	38,750,669	36,496,728

Loan maturity analysis

Due in one year or less	16,490,654	13,279,365	16,406,463	13,201,218
Due in two to five years	29,744,064	25,900,972	27,811,010	25,307,486
Due in more than five years	12,095,717	13,772,055	10,939,659	11,189,242
	58,330,435	52,952,392	55,157,132	49,697,946

Unsecured loan stock is repayable within a range of years depending upon each individual loan term. Interest payable on loan stock varies between nil and 5% per annum and the weighted average for 2022 was 4.13% (2021 - 4.12%).

The bank loans are secured by a fixed charge on the building(s) to which they relate. Interest is payable at rates varying from 2.25% to 5.5%; approximately £4.6m is at fixed rates, the remainder at floating rates.

16 Financial instruments

CBS enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans to related and other third parties. CBS has no equity investments other than in wholly-owned subsidiaries.

The following paragraphs of this note relate to policy in relation to the impact of non-market interest rates on transactions more than one year into the future. The group presently has no assets or liabilities to which such policy would apply with the exception of concessionary loans as described in accounting policy 1.12. All of the group's current and expected borrowings are currently at market rates and are measured at the undiscounted amount of cash payable and so constitute financial liabilities measured at fair value through profit or loss. The group has no long term financial receivables other than a finance lease at market rates.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. If the arrangements for a short term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial liability or asset is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

	Consolidated		Charity	
	2022	2021	2022	2021
	£	£	£	£
Financial assets measured at amortised cost	8,944,793	13,015,393	10,998,339	14,344,135
Financial liabilities measured at amortised cost	(60,830,723)	(55,345,827)	(57,270,790)	(51,438,149)

17 Share capital

	Consolidated		Charity	
	2022	2021	2022	2021
Ordinary shares of £1 each	£	£	£	£
Issued share capital	1,000	1,000	1,000	1,000

17 Share capital (continued)

Under CBS's Rules, shares are cancelled on the withdrawal of a shareholder, but the amount paid in respect thereof is retained by CBS. The shares provide the shareholders with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up.

18.1 Capital commitments

At 31 March 2022, the company had no capital commitments other than property purchases in the ordinary course of business (2021 - nil).

18.2 Operating lease commitments

At 31 March 2022, the company had annual commitments under non-cancellable leases as lessee as follows:

Group	2022 £	2021 £
Between 1 and 5 years	2,045	893
	2,045	893

Charity	2022 £	2021 £
Between 1 and 5 years	70,707	69,555
	70,707	69,555

19 Movement in net assets by fund

All funds are unrestricted

	2021	Income	Expenditure	Other Movements	Tax Credit	2022
Group						
Share capital	1,000	-	-	-	-	1,000
General reserve	1,088,943	9,896,504	(9,924,758)	592,467	-	1,653,156
Revaluation reserve	6,132,546	-	-	880,588	-	7,013,134
Total	7,222,489	9,896,504	(9,924,758)	1,473,055	-	8,667,290
Charity						
Share capital	1,000	-	-	-	-	1,000
General reserve	861,098	5,177,942	(5,503,776)	541,755	-	1,077,019
Revaluation reserve	5,258,526	-	-	696,516	-	5,955,042
Total	6,120,624	5,177,942	(5,503,776)	1,238,271	-	7,033,061

20 Related parties

Loans

All of the loans referred to below are secured on property at a maximum loan to value ratio of 60% and carry interest at 10% unless otherwise stated.

From time to time, CBS has made advances to individuals or their companies who are, or have been, or have become clients of Andrew Cunningham Building Design Ltd (ACBD) and/or have sold properties to CBS. Such loans have a maximum call of 6 months and constitute attractive short term investments for CBS as part of its liquidity management. During the year, CBS received net repayments of £81,480 (2021 - £202,182) leaving the balance due including accrued interest at the balance sheet date of £426,191 (2021 - £469,376). Details are set out in the following paragraphs overleaf.

One such borrower, referred to as Borrower A under GDPR, received an advance in November 2013 of £285,000. During 2017, it transpired that the borrower had sold the security for the loan without repaying it, which should not have been possible. The directors are of the opinion that security cover remains adequate. During the year, Borrower A paid £nil (2021 - £32,182) toward the interest charge and recharged costs totalling £28,314 (2021 - £27,500). The balance of this loan including interest and recovery costs at the balance sheet date was £294,381 (2021 - £266,068). We are in regular contact with the present owner of the security plot who is in the process of obtaining planning permission to redevelop it. Meanwhile interest continues to accrue.

During the year, CBS made loan advances of £nil (2021 - £nil) to Borrower D, a former director of Green Pastures Developments Ltd, dissolved in 2021. During the year, Borrower D was charged interest of £9,981 (2021 - £16,593) and repaid £81,480 (2021 - £170,000) leaving a balance due at the year end of £131,810. The loan is secured on Borrower D's family home.

On 1 April 2021, GPNW, a wholly-owned subsidiary, owed CBS £1,074,818 (2021 - £1,057,203). During the year numerous charges and payments occurred between the companies including a wages recharge by CBS of £72,615 (2021 - £60,167) resulting in £1,268,800 (2021 - £1,074,818) being due to CBS at the year end. GPNW also had a property loan from CBS of £1,145,715 as at 1 April 2021 on which NW paid interest of £54,259 (2021 - £54,558). At the year end, the balance was £1,199,974 (2021 - £1,145,715).

During the year CBS incurred various items of expenditure on behalf of Green Pastures Partnership, a partnership controlled by two of the directors of CBS. CBS also charged the partnership £32,317 (2021 - £28,110) in relation to wages and administration costs. The balance owed by the partnership at the balance sheet date was £32,189 (2021 - £29,087).

During the year CBS incurred various items of expenditure on behalf of G9 Limited (G9), a company controlled by two of the directors of CBS. CBS also charged G9 £6,657 (2021 - £5,492) in relation to wages and administration costs. The balance owed by G9 at the balance sheet date was £7,421 (2021 - £5,117).

During the year, GPD, a wholly owned subsidiary of CBS was finally wound up and dissolved. The balance owed by GPD at the date of dissolution was £23,375 (2021 - £23,375) which was treated as an expense by CBS.

During the year, there were numerous transactions between CBS and Adoni Developments Limited, a wholly owned subsidiary of CBS, including payments on its behalf. The balance owed by Adoni Developments Limited at the balance sheet date was £114,457 (2021 - £4,847,128).

20 Related parties (continued)

During the year, there were numerous transactions between CBS and Hoyles Lane Developments Limited, a wholly owned subsidiary of CBS, including payments on its behalf. The balance owed by Hoyles Lane Developments Limited at the balance sheet date was £1,746,802, however a provision of £190,381 was made making the net year end balance owed £1,556,421 (2021 - £1,299,354).

During the year:

Francis Goodwin (non-executive director) loaned the Charity £50,000 (2021 - £nil). At the balance sheet date the balance owing to Mr Goodwin was £50,000 (2021 - £nil).

Peter Cunningham (director) invested £15,000 in Loan Stock issued by the Charity (2021 - £nil). The balance of Loan Stock held my Mr Cunningham at the balance sheet date was £15,000 (2021 - £nil).

Mrs Patricia Westmacott, wife of Simon Westmacott (director) invested £20,000 in Loan Stock issued by the Charity (2021 - £nil). The balance of Loan Stock held by Mrs Westmacott at the balance sheet date was £20,000 (2021 - £nil).

Other transactions
During the year, CBS paid £6,180 (2021 - £6,180) to Andrew Cunningham Building Design Ltd by way of share of office overheads at 28 Union Street, Southport. This company is controlled by Andrew Cunningham and his wife. CBS also paid rent of £14,663 (2021: £7,650) to Andrew Cunningham personally for rent at the same address. The increase was solely due to CBS now occupying the whole property, previously only half was used. The rent paid is at the bottom end of a range suggested by a local firm of Chartered Surveyors prior to 2020 and was approved by the NEDs.

21 Post balance sheet events

At the time of writing, inflation remains stubborn at more than 10% having been much higher during calendar 2022. The Bank of England anticipates inflation reducing substantially during the rest of 2023 but has nevertheless increased base rate to 4.25%. Inevitably, this is an additional cost for GP, as detailed elsewhere, but we have numerous measures in hand to increase our operating margin over time. Meanwhile, our enlarged team continues to settle in.

We previously had a subsidiary by the name of Green Pastures Developments Ltd, originally an SPV for the development of Marks Gate and no longer required. Accordingly, we dissolved that company and incorporated a new one in its place by the same name. We are using this for ad hoc development work, including some necessary initial speculative work to ascertain the viability of projects brought to us.

As referred to in the Directors' Report, New Wave CBS Ltd has generously transferred its housing stock and some cash to CBS as part of its winding down process. This occurred in June, increasing our capital base by more than £4m and our rental income by more than £60k. This reflects low yields by market standards but there are historical reasons.

22 Restatement

The balance sheet for 2021 was adjusted to properly reflect the loan stock interest accrued as at the balance sheet date to move, and correctly disclose, £709,110 of interest accrued but due in more than one year rather than where it was originally placed as all due in less than one year.