



THE COMMUNITY LEGACY TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
YEAR ENDING 31 MARCH 2016

CHARITY NUMBER 1133280
COMPANY NUMBER 06855302

WEDNESDAY



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CONTENTS

	Page
Trustees' report	1-4
Reference and administrative details	5
Trustees' responsibilities statement	6
Independent auditors' report	7-8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes on the accounts	12-15



The Community Legacy Trust

Report of the trustees for the year ending 31 March 2016

The trustees are pleased to present their annual directors' report and financial statements for the year ending 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Chairs' report

There has been no activity during the year.

The Trustees have been taking stock of the changing landscape in respect of affordable and social housing and the reduced options in respect of future funding.

A handwritten signature in black ink, appearing to read "Peter McNestry".

Peter McNestry
Chair



Objectives and activities

The Community Legacy Trust (CLT) was established in 2009 as a special purpose vehicle (SPV) to regenerate communities by providing affordable homes, workspace and community owned assets in ways which maximise their impact and social benefits. By acting as an 'umbrella' body for local community land trusts the intention is that the SPV will use its own resources to act as a risk taker for communities by providing pre-development finance and other financial support including grant funding and loans.

The Trustees are actively considering the charity's aims and objectives through support for a third party's delivery programme.

Achievements and performance

The CLT's first project was to be at Shirebrook where a colliery site had been cleared and remediated by English Partnerships, now part of the HCA. The scheme was to be undertaken by the CLT in consultation with the community and with the intention of the community coming together to form the Bolsover Community Land Trust which would manage the land and open spaces in perpetuity.

Unfortunately economic conditions and reduced funding for affordable housing development mean that this particular scheme has been shelved.

Financial review

The Trust received income in the year totalling £1k from interest on bank deposits.

Total expenditure for the year amounted to £1k resulting in a break-even position for the year.

Investment policy

The Trust holds cash deposits with Handelsbanken.

Risk statement

Risks to which the CLT are exposed are addressed through meetings of the Board. The Trustees have actively reviewed the major risks which the CLT faces as its activities develop and these were specifically addressed in the Business Plan.

Risk priorities include the following:

- Financial risk including consideration of accounting and reporting problems arising from new developments; and
- Market conditions are increasingly challenging.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.



Systems of internal control are based on the on-going process of identifying principal risks to the achievements of the Trust's policies, aims and objectives, to evaluate the nature and extent of those known risks and to manage them efficiently, effectively and economically.

Based on our review of the risk register combined with controls over the financial systems the Trustees are satisfied that systems are in place to mitigate exposure to major known risks.

Reserves policy

It is the Trust's policy to hold financial reserves:

- To help the Trust seek to develop new schemes which will form part of a long-term delivery and implementation programme;
- To enable the Trust to recruit staff in future;
- To be able to address future liabilities.

At the year-end the Trust had unrestricted reserves £203k.

Plans for future periods

The Trust is taking stock of the changing landscape in respect of affordable and social housing.

Other opportunities for investing in community asset based projects will be considered in conjunction with CLT's primary funder The Coalfields Regeneration Trust.

Structure, governance and management

Governing Document

The CLT is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23 March 2009. It is registered as a charity with the Charity Commission. The members of the Board are members of the Company and each agrees to contribute £1 in the event of the charity winding up.

Appointment of trustees

A board of up to 12 non-executive trustees, 11 of whom are elected by a simple majority of all the trustees, are entitled to attend and vote at any meeting of the Board and 1 nominated Trustee governs the Trust.

New Trustees are chosen with a view to ensuring that the Board contains an appropriate balance of experience relevant to the requirements of the operations of the Trust and in line with the requirements of its Memorandum & Articles of Association.

Trustee induction and training

On appointment to the Trust Trustees receive:

- Job description; and



- Extensive background information including:
Annual reports
Statutory accounts
Recent Board minutes and
Code of Conduct for Trustees.

In addition, new Trustees benefit from 'on the job' training which results from Board and Committee meetings. Trustees also have regular contact with the principal officers of the Trust to ensure their knowledge of the Trust's work is comprehensive. Trustees are routinely asked if they have any training or information needs.

Organisation

The Board may call a General Meeting whenever they deem suitable and delegates the day-to-day operation of the organisation to officers.

Pay policy for senior staff

The Trust has no employees.

No trustee receives remuneration or any other benefit from their work with the Trust.

Related parties

The following Trustees are also Trustees of The Coalfields Regeneration Trust:

Peter McNestry
John Edwards (resigned 24/4/15)
Bill Skilki (resigned 13/3/16)
Roger Owen (resigned 8/10/15)
Nicolas Wilson (appointed 29/7/16)

The CLT is treated as a subsidiary undertaking of The Coalfields Regeneration Trust (CRT) for the following reasons:

- CRT is CLT's founder member;
- CRT holds the majority of voting rights at board meetings;
- CRT & CLT have common Trustees and Chair – currently all CLT Trustees are also CRT Trustees;
- CRT is the only member of CLT; and
- Shared management and reliance of CLT on CRT infrastructure.

These terms all strongly support the fact that CRT has ultimate control over the direction and use of the funds of CLT and as such the activities and net assets of CLT are consolidated in the CRT group accounts.



Reference and administrative details

Charity number: 1133280
Company number: 06855302
Registered Office: 1 Waterside Park, Valley Way, Wombwell, Barnsley, S73 0BB

Advisers

Auditors	KPMG LLP	1 Sovereign Sq., Sovereign St., Leeds, LS1 4DA
Banker	Handelsbanken	1 st Floor, Copia House, Great Cliffe Rd, Barnsley S75 3SP
Solicitor	Andrew Upritchard	1 Alexandra Rd, Buxton, Derbyshire, SK17 9NQ

Directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law.

The trustees and officers serving during the year were as follows:

Directors:

Peter McNestry M.B.E. (Chair)
John Edwards O.B.E. DL (resigned 24/4/15)
Bill Skilki (resigned 13/3/16)
Tony Crook (resigned 16/4/15)
Roger Owen (resigned 8/10/15)
Nicolas Wilson (appointed 29/7/16)

Secretary:

Louise Dyson

Principal officers:

Gary Ellis Chief Executive



Trustees' responsibilities in relation to the financial statements

The Trustees (who are also the directors of the Community Legacy Trust for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

A handwritten signature in black ink, appearing to read "P McNestry", written over a horizontal line.

P McNestry (Chair)

21 September 2016



Independent auditor's report to the members of The Community Legacy Trust

We have audited the financial statements of Community Legacy Trust for the year ended 31 March 2016 set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)[, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*].

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and



- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Malcolm C Harding

Malcolm Harding (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

6/10/2016



The Community Legacy Trust
Statement of Financial Activities
(including income and expenditure account)
For year ending 31 March 2016

		Unrestricted Funds	Restricted Donor Funds	Total Funds	Unrestricted Funds	Restricted Donor Funds	Total Funds
	Note	2016 £'000	2016 £'000	2016 £'000	2015 £000	2015 £'000	2015 £'000
Income from:							
Donations and legacies		-	-	-	-	-	-
Charitable activities		-	-	-	-	-	-
Other trading activities		-	-	-	-	-	-
Investments	3	1	-	1	1	-	1
Other		-	-	-	-	-	-
Total		1	-	1	1	-	1
Expenditure on:							
Raising funds		-	-	-	-	-	-
Charitable activities		-	-	-	-	-	-
Other	4	-	1	1	-	2	2
Total		-	1	1	-	2	2
Net income/(expenditure)		1	(1)	-	1	(2)	(1)
Transfers between funds		22	(22)	-	-	-	-
Net movement in funds		23	(23)	-	1	(2)	(1)
Reconciliation of funds:							
Total funds brought forward		202	23	225	201	25	226
Total funds carried forward		225	-	225	202	23	225

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

All income and expenditure derive from continuing activities.



**The Community Legacy Trust
Balance Sheet
As at 31 March 2016**

	Note	2016 £'000	2015 £'000
Current assets:			
Cash at bank and in hand		226	226
Total current assets		<u>226</u>	<u>226</u>
Liabilities:			
Creditors: Amounts falling due within one year	7	(1)	(1)
Net current assets		<u>225</u>	<u>225</u>
Total assets less current liabilities		<u>225</u>	<u>225</u>
Total net assets		<u>225</u>	<u>225</u>
The funds of the charity:			
Unrestricted income funds	8	225	202
Restricted income funds	8	-	23
Total charity funds		<u>225</u>	<u>225</u>

The notes on pages 12 to 15 form part of these accounts.

Signed

Peter McNestry

Chair of trustees on behalf of the trustees

Approved by the trustees on 21 September 2016



**The Community Legacy Trust
Statement of Cash Flows
For year ending 31 March 2016**

	Note	2016 £'000	2015 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	(a)	(1)	80
Cash flows from investing activities:			
Interest received		1	1
Net cash provided by (used in) investing activities		1	1
Cash flows from financing activities:			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Net cash provided by(used in) financing activities		-	-
Change in cash and cash equivalents in the year		-	81
Cash and cash equivalents at the beginning of the year		226	145
Cash and cash equivalents at the end of the year	(b)	226	226

Notes to cash flow statement

(a) Reconciliation of net income to net cash flow from operating activities

	2016 £'000	2015 £'000
Net income (expenditure) for the year	-	(1)
Interest received	(1)	(1)
Decrease in debtors	-	82
Net cash provided by (used in) operating activities	(1)	80

b) Analysis of cash and cash equivalents

Cash at bank	226	226
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Notes on the accounts

1 Accounting Policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Coalfields Regeneration Trust meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

c) Preparation of accounts on a going concern basis

The financial statement have been prepared on a going concern basis which the trustees believe to be appropriate for the reasons outlined in the trustees report under 'plans for future periods'.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the banks.



g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are solely to be used for particular areas of the trust's work or for specific projects being undertaken by the trust.

h) Expenditure and irrecoverable VAT

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

- Costs of raising funds comprise the costs of commercial trading and associated support costs.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include shared services, finance, IT, quality and governance which support the Trust's programmes and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities.

j) Cash at bank and in hand

Cash at bank and in hand includes any short term, highly liquid investments requiring less than three months' notice.

k) Creditors and provisions

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

l) Financial instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest method.

m) Transition to FRS102

No restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.



2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3 Income from investments

	Unrestricted 2016 £'000	Restricted 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000
Bank interest	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

4 Analysis of governance and other overheads

	Governance £'000	Other overheads £'000	Total £'000
Audit	1	-	1
Trustee costs	-	-	-
	<u>1</u>	<u>-</u>	<u>1</u>

5 Net income / (expenditure) for the year

This is stated after charging:

	2016 £'000	2015 £'000
Auditor's remuneration: Audit fee	<u>1</u>	<u>1</u>

6 Related party transactions

The following Trustees are also Trustees of The Coalfields Regeneration Trust:

Peter McNestry

John Edwards (resigned 24/4/15)

Bill Skilki (resigned 13/3/16)

Roger Owen (resigned 8/10/15)

Nicolas Wilson (appointed 29/7/16)



7 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Accruals and deferred income	1	1
	<u>1</u>	<u>1</u>

8 Funds of the charity

Analysis of movements in unrestricted funds

	Balance at 1 April 2015 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 March 2016 £'000
General fund	202	1	-	22	-	225
Total	202	1	-	22	-	225

Purpose of funds

The general fund represents the 'free reserves' of the charity.

Analysis of movement in restricted funds

	Balance at 1 April 2015 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 March 2016 £'000
Homes and Communities Agency	23	-	(1)	(22)	-	-
Total	23	-	(1)	(22)	-	-