

RURAL URBAN SYNTHESIS SOCIETY

TRUSTEES REPORT

2018

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RURAL URBAN SYNTHESIS SOCIETY

Report and financial statements for the period ended 31 December 2018

Key facts

Registered society number

30462R

Registered office and operational address

11 Walters Way, Honor Oak Park, London SE23 3LH

Other names

The Rural Urban Synthesis Society Ltd is referred to as RUSS throughout this report.

Trustees

Trustees, who are also directors of the society, who served during the year and up to the date of this report were as follows:

Alice Graham (resigned 28 April 2018)

Anurag Verma (appointed 28 April 2018)

Beatrice Barleon (appointed 23 June 2019)

Carol Reid (resigned 6 December 2018)

Colette Snape (appointed 23 June 2019)

Courtney Redd

Dave Dayes (resigned 23 June 2019)

Dan Delezemeta (resigned 23 June 2019)

Daniel Johnson (resigned 5 July 2018)

Ethan Williams (appointed 23 June 2019)

Gillian Cooper (appointed 23 June 2019)

Kareem Dayes (resigned 28 April 2018)

Kwame Lowe (appointed 28 April 2018)

Megan Andcliffe (appointed 28 April 2018)

Phil Morris (co-opted 11 November 2018, re-co-opted 4 July 2019)

Tony Rich (resigned 28 April 2018)

Ted Stevens

Key management personnel:

The Trustees as a body.

Dinah Roake – Operations Director

Bankers:

The Co-operative Bank

Solicitors:

Trowers & Hamlin LLP, 3 Bunhill Row, London EC1Y 8YZ

Reporting accountants

Third Sector Accountancy Limited, Holyoake House, Hanover Street, Manchester M60 0AS

Rural Urban Synthesis Society Limited | Registered address 11 Walters Way, London, SE23 3LH
Society number: 30642R

Report and financial statements

The Trustees present their report and the unaudited financial statements for the year ended 31 December 2018. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities for the public benefit

RUSS's vision is to create sustainable community-led neighbourhoods and truly affordable self-build homes. Its charitable objectives are as follows:

The relief of poverty through the provision of housing, accommodation and amenities.

The advancement of education and relief of poverty through the promotion and encouragement of community involvement in regeneration and development within the *meaning of s126 of the Housing Grants, Construction and Regeneration Act 1996*.

The protection, conservation, restoration and enhancement of the environment through the purchase, lease and management of land.

The provision of facilities for sport, recreation and other physical activity or other leisure time occupation in the interests of social welfare with the object of improving their conditions of life.

To promote and encourage community involvement in regeneration and development, in particular by encouraging and giving advice on and assistance with the formation, management and development of Community Land Trusts.

The Trustees have satisfied themselves that RUSS meets the public benefit requirements and they confirm they have taken due regard of the Charity Commission's general guidance on public benefit.

The Trustees confirm the following:

The benefits generated by RUSS's charitable activities are clear.

This report details RUSS's main activities for the year, which have been carried out to further the society's objectives.

The benefits generated relate to RUSS's objectives.

All activities undertaken are intended to further RUSS's charitable objectives.

The people who receive support are entitled to do so according to criteria set out in RUSS's charitable objectives.

RUSS's activities engage a wide variety of individuals and communities in line with the objectives of the organisation.

2018 Review

This report reviews RUSS's achievements and the outcomes of its work in the reporting period.

RUSS is guided by ten principles developed in consultation with the local community. These principles embed an ethos of encouraging diversity, affordability, sustainability, self-governance and community engagement across all elements of the organisation.

RUSS prepared a detailed Operations and Business Plan for the years 2018-2019 and this document has helped focus the progress the organisation has achieved over the last 12 months.

The objectives set out the business plan fall under three headings.

- **Demonstrating the model:** delivering RUSS's first housing project at Church Grove
- **Building an effective organisation:** developing RUSS's governance, people, resources, infrastructure and profile
- **Raising awareness of community-led housing:** training, campaigning and RUSS's community engagement programme

Objective 1 - Demonstrating the model

The Church Grove project:

RUSS has developed a unique and innovative 'model' for delivering affordable, sustainable homes for Londoners on lower incomes. It's first pilot project at Church Grove, Lewisham will deliver an economically, socially and environmentally sustainable neighbourhood, building 33 affordable homes for local people on low incomes.

During 2018 significant progress was made on the project. For example, early in the year RUSS secured a major grant from the Greater London Authority, which has funded all the pre-construction work. And later in the year planning permission for the project was formally secured.

During 2018 RUSS also secured a significant grant from the Co-op Foundation, which enabled it to recruit Dinah Roake, the organisation's new Operations Director. Dinah arrived mid-way through the year and she has helped overcome many of the practical issues that relate to the project – everything from negotiating the Section 106 agreement, and signing-off the Planning Conditions, to finalising the lease and lining up the funding for the construction phase.

The Project Board that oversees the Church Grove scheme has functioned well and it has been strengthened by the appointment of several new Trustees. For example Jon Broome, an expert of community-led projects, joined the Board in June and Felicity Knill, who works for Lewisham Homes, is providing input on the long-term management of the scheme.

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The development finance lender, Triodos NV Bank, finalised its offer and an agreement in principle was secured by RUSS in August 2018.

RUSS has also made good progress in developing its self-build and procurement strategies in preparation for the next phase of the project.

The Temporary Community Hub

The Temporary Community Hub is a volunteer-led project to self-build a community space at Church Grove. The single storey timber frame building will be built with volunteers and aims to create a knowledge hub for self-building, community-led housing and sustainable living. The Hub was crowdfunded in 2017, with the design phase starting from December 2017. During 2018 many volunteers were involved in the design and planning stages of the project.

RUSS didn't achieve its original target of building the Hub during late 2018. This was due to an over-estimation of the capacity of its volunteers. Towards the end of 2018, the Hub team began advertising for a Self-Build Manager to help deliver the project and the team has been working to raise the extra funding required to pay for this vital resource. The team is now optimistic that the project will be delivered by mid-2019.

The key milestones for 2018 for the Hub were;

A volunteer start-up meeting was held in December 2017 attracting more than 30 attendees

Regular volunteer meetings took place throughout 2018 with a core volunteer group being established

Planning permission was achieved in June 2018

The Hub team organised a permanent office base, which was generously subsidised for the first six months by The Artworks. This allowed the team to co-work at weekends.

A Licence to build the Hub was signed with Lewisham Council in October 2018

Also in October the Hub team organised the Church Grove site to be cleared and new vehicle gates were installed giving full access to the site for the first time.

Several volunteer days were held to collect reclaimed materials and bring them to site for storage

The hub project 2018 in numbers

People	Materials
8-10 Core volunteers (individuals varied over year)	1 Skip worth of clay
81 Volunteers signed up to build	3 Doors
4 Educational talks	4 Rainwater pipes
5 All day workshops	5 Windows
9 Site volunteer days	50 Set of Hi-vis safety wear
10 Blog posts	60m2 Plasterboard
24 Open volunteer meetings	150m2 Wood fibre insulation
Countless volunteer hours	230 Cob bricks
	2600m Timber

Report and financial statements for the period ended 31 December 2018

Objective 2 - Building an effective organisation

RUSS has continued to strengthen the skills available on its Main Board of Trustees; it has also succeeded in securing additional grants and loans, and it has greatly improved its community engagement activities.

Anurag Verma and Kwame Lowe joined as Co-chairs of the Main Board of Trustees in April 2018,. Anurag studied architecture and has a lot of experience of construction projects and Kwame is a politics graduate who has worked in social housing, community engagement and fundraising. Megan Ancliffe (the driving force behind the Hub project) was also formally elected to the Board at the Society's AGM.

Later in 2018 RUSS welcomed Phil Morris to both the Main Board and Church Grove Project Board. Phil is a semi-retired accountant who has worked in social housing for most of his career. He is also a Board Member of Coin Street Community Builders. He has taken on the role of Treasurer to ensure that RUSS conforms to best financial practices.

Dinah Roake – who joined as RUSS's Operations Director in July 2018 - is supporting the organisational development by lessening the workload on volunteer members of the Board. This has resulted in a greater focus on strategy, governance and risk.

RUSS continues to attract significant levels of media coverage, and the organisation is regularly invited to speak at a range of community, housing and self-build events.

During the year RUSS worked hard to improve its website and its social media activities. This work was supported by a group of proactive RUSS members who have updated and improved much of the information on the website.

The main Vision and Business Strategy document were reviewed and updated during the year and there was a concerted effort launched to improve internal communications among the organisation's growing membership.

Objective 3 – Raising awareness of community-led housing

The RUSS School of Community-Led Housing has made good progress during 2018, securing a sizeable grant from the Lottery to help it develop the courses it runs. This means eight workshops are now in the pipeline for 2019-20, plus three site visits to see other successful community-led projects. The RUSS School of Community-Led Housing has begun working closely with the new London CLH Hub, hosted by CDS Co-operatives and supported by the GLA.

During 2018 RUSS also raised awareness of community-led housing through a series of Community Housing Meetings. These meetings served an educational purpose as well as helped create a sense of community among RUSS members. A record number of attendees - almost 250 people - were attracted to these meetings.

Our membership continues to grow and by early 2019 the total was close to 900.

RURAL URBAN SYNTHESIS SOCIETY

Report and financial statements for the period ended 31 December 2018

In December 2018 one of our founding members, Kareem Dayes was the winner of the Power to Change Award titled "Ain't no mountain high enough!". This category attracted nominations for individuals and teams which have all demonstrated superhuman determination to get the job done, no matter how impossible it seems, while all the while keeping a positive attitude. Kareem received the Award overcoming strong competition from 6 runners-up.



Snippet from Kareem's nomination:

"Kareem has contributed tireless leadership and campaigning for more than a decade, and he has inspired and motivated hundreds of people to get involved in facilitating their own affordable homes."

Structure, governance and management

RUSS is a community benefit society. It was incorporated on 12 February 2009, and registered as a charitable organisation with HM Revenue & Customs. The organisation is governed by its rules which established the objects and powers.

Members each hold a minimum of one share in the society. The Trustees are members of the society, but this entitles them only to voting rights. The Trustees have no beneficial interest in the organisation.

Members nominate and elect the Main Board of Trustees at the annual AGM. Each member has one vote. Prior to the AGM there is an open call for nominations across all communications channels, with role descriptions setting out required skills and experience. The Board also has the power to co-opt new Trustees.

New board members are inducted and trained by the experienced members of the Board and the wider membership. There are two board away days each year.

RUSS is a member of a variety of networks including the Community Land Trust Network, Foundation for Social Improvement, TrustLaw, Citizens UK, Locality and Voluntary Action Lewisham, enabling it to draw upon bespoke training and support for board development and governance.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

RURAL URBAN SYNTHESIS SOCIETY

Report and financial statements for the period ended 31 December 2018

Financial review

Total income recognised in the period amounted to £465,213. Income was made up of grants for charitable activities, donations (predominantly for the Ladywell Self-Build Community Hub), community fundraising activity, and income from training workshops. A substantial grant was received from the GLA Innovation Fund, along with a grant from the Co-operative Foundation to fund pre-development costs and core costs respectively. The Co-operative Foundation funding continues for two further years, part grant and part loan. Social investment loan repayments have been factored into the financial model and the repayment terms negotiated to tie in with the timescales for drawing down the development finance, due in 2019. Expenditure for the year amounted to £221,837, of which £196,877 was carried forward as stock and £3,582 was capitalised as fixed assets (the Community Hub). The remainder £21,378 was reflected in the Statement of Financial Activities. All the expenditure was on charitable activities.

Plans for the future

RUSS updated its Business Plan in early 2018, clearly setting out the main tasks and priorities for the period up to 2020. The plan focuses on three main priorities:

- The delivery of the Church Grove scheme.
- Building a more effective, well-resourced organisation.
- Broadening RUSS's campaigning/training work.

On the first of these, RUSS has made good progress over the last 12 months and main construction work is now scheduled to start in October 2019.

The Board recognises that if RUSS is to become an organisation capable of delivering multiple on-going projects, its long-term success is dependent on ensuring it has adequate resources. To ensure that the core operations are adequately resourced, RUSS is therefore exploring a proposal to introduce a subscription model for its members.

The Operations Director has been a welcome addition to the organisation and will continue to improve the back-office functions, policies and IT infrastructure. She is also working on developing suitable systems to efficiently manage and administrate Church Grove, once building work is complete.

Various Trustees lead on activities such as developing an equality and diversity action plan, refining the communications strategy, volunteer management processes, progressing the introduction of the proposed subscription strategy, and continuing to grow the membership.

RUSS will continue to campaign to empower local communities, and it will actively support its members to come up with projects to rebuild their communities.

The future residents of Church Grove met monthly and during 2018 they worked with the Trustees to develop a resident involvement policy and action plan.

Reserves policy

At the end of the financial year RUSS's unrestricted income funds amounted to £440,632. RUSS has designated £431,795 for Church Grove, as unrestricted funding for the project, and £3,582 to the Community Hub, the cost of fixed assets funded from donations and grants, leaving free reserves of £5,255. Share capital has increased to £17,972. The Trustees intend to establish the unrestricted reserves at such a level that the available cash equivalents not restricted or designated amount to £25,000 in the medium-term. This has been challenging to achieve for an organisation that to date has been run by volunteers and without core funding. Recruitment of an Operations Director will free up resource at board level to undertake more fundraising activity.

The objectives upon which RUSS's reserves policy are based are to:

- support the organisation's cash-flow
- cover unforeseen emergency costs
- provide an element of security within an uncertain funding environment.

Risk management

RUSS recognises that it needs to carry out its activities in such a way that all potential risks are identified, managed and mitigated. The organisation monitors both organisational risks and project risks and recognises their inter-dependence.

RUSS has recruited a team of expert consultants and Trustees, who collectively have contributed to a detailed Risk Register under three main headings – Funding, Construction and Governance. Under each heading the Register identifies all the potential risks, rates their likelihood, their potential impact and sets out a mitigation strategy. The Register is regularly reviewed and updated.

The Trustees are satisfied with the strategies of mitigation the organisation has in place.

Report and financial statements for the period ended 31 December 2018

Statement of responsibilities of the Trustees

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

The Co-operative and Community Benefit Societies Act 2014 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable society and of the incoming resources and application of resources, including the income and expenditure, of the charitable society for that period. In preparing these 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 and statements of recommended practice 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 operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable society and enable 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 charitable society and hence for 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.

The Trustees' annual report has been approved by the Trustees on 15th August 2019 and signed on their behalf by



Anurag Verma (Chair)

RURAL URBAN SYNTHESIS SOCIETY

Report and financial statements for the period ended 31 December 2018

Independent reporting accountant's report to the Directors on the unaudited accounts of Rural Urban Synthesis Society Limited

We report on the accounts for the year ended 31 December 2018 set out on pages 12 to 27.

Respective responsibilities of the committee of management and the independent reporting accountant

The society's committee of management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for year ended 31 December 2018 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 December 2018 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

Third Sector Accountancy Limited

*Third Sector Accountancy Limited
Reporting Accountants
Statutory Auditor
Holyoake House
Hanover Street
Manchester M60 0AS*

11/09/2019

Date

Rural Urban Synthesis Society Limited

Statement of Financial Activities
for the year ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	As restated Total funds 2017 £
Income from:					
Donations and legacies	3	5,000	34,309	39,309	22,565
Charitable activities	4	-	423,387	423,387	111,482
Other trading activities	5	2,517	-	2,517	4,778
Total income		7,517	457,696	465,213	138,825
Expenditure on:					
Charitable activities	6	1,803	19,575	21,378	21,686
Total expenditure		1,803	19,575	21,378	21,686
Net income/(expenditure) for the year	8	5,714	438,121	443,835	117,139
Transfer between funds	20	228,683	(228,683)	-	-
Net movement in funds for the year		234,397	209,438	443,835	117,139
Reconciliation of funds					
Total funds brought forward as originally stated		183,644	47,754	231,398	136,850
Prior period adjustment		22,591	-	22,591	-
Total funds brought forward as restated		206,235	47,754	253,989	136,850
Total funds carried forward		440,632	257,192	697,824	253,989

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Rural Urban Synthesis Society Limited

Balance Sheet as at 31 December 2018

	Note	2018	As restated 2017
		£	£
Fixed assets			
Tangible assets	13	3,582	-
Total fixed assets		3,582	-
Current assets			
Stock		611,187	407,443
Debtors	15	11,745	21,435
Cash at bank and in hand		376,767	70,298
Total current assets		999,699	499,176
Liabilities			
Creditors: amounts falling due in less than one year	16	(287,485)	(21,124)
Net current assets		712,214	478,052
Total assets less current liabilities		715,796	478,052
Creditors: amounts falling due after more than one year	17	-	(206,421)
Net assets		715,796	271,631
Funds of the charity:			
Share capital	18	17,972	17,642
Restricted income funds	19	257,192	47,754
Designated funds	21	440,632	206,235
Total charity funds		715,796	271,631

The notes on pages 14 to 27 form part of these accounts.

Approved by the trustees on 15th August 2019 and signed on their behalf by:


Anurag Verma (Trustee)


Phil Morris (Treasurer)


Colette Snape (Secretary)

1 Accounting policies

The principal accounting policies adopted, judgments 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Co-operative and Community Benefit Societies Act 2014 and the Charities Act 2011.

Rural Urban Synthesis Society Limited 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 Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

c Key judgements and estimates

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

d Income

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

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

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

A shared ownership property on initial recognition comprises two assets, that to be disposed of as a first tranche sale, which is recorded as a current asset (properties for sale); and the element to be retained by the charity, which is recorded as a tangible fixed asset.

Proceeds from the first tranche sale, and sales of shared equity properties, are accounted for as income, with the apportioned cost being recognised as a cost of sale.

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 that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

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.

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 Bank.

f Fund accounting

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

Designated funds are unrestricted funds of the charity 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 to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g 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:

- Expenditure on charitable activities includes the costs of the Church Grove Project and the costs associated with the educating groups and individuals in community-led housing - all undertaken to further the purposes of the charity and their 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 which in this period was the development of the housing properties.

g Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis. Expenditure has been incurred on the construction of the temporary Community Hub on the Church Grove site. Once complete the building will be depreciated over the remaining period of the planning consent granted.

Properties in the Church Grove project retained for social/affordable rents and the value of RUSS interest in shared ownership properties will be capitalised and included in tangible fixed assets at start on site, expected in 2019.

Notes to the accounts for the year ended 31 December 2018 (continued)

h Stock

Stock is included at the lower of cost or net realisable value. In general, cost is determined on a first in, first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving, and defective stocks. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Costs include an appropriate allocation of staff costs and other costs of managing the development, as well as capitalised development loan interest.

In these accounts stock represents the costs incurred so far on the Church Grove Project to build 33 houses. The costs represent professional fees incurred in order to design the houses and gain planning permission, which was achieved in 2018. When the project is completed RUSS will retain an interest in all or part of the developed properties.

Properties retained for social/affordable rents and the value of RUSS' interest in shared equity/ownership properties will be capitalised and included in tangible fixed assets at start on site, expected in 2019. The value of shared equity/ownership properties that are held for sale will be included in current assets until they are sold.

i Interest on development loans

Interest payable on loans taken out solely to fund property developments are included in the costs of stock and fixed assets as appropriate.

This is a change of accounting policy and has necessitated a prior period adjustment. - see note 24 for an explanation of the effect of this on reserves and the comparative figures.

j Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l 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.

m Financial instruments

The charity only has financial assets and financial 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 subsequently measured at amortised cost using the effective interest method.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

2 Legal status of the charity

The charity is a community benefit society, registered as a charity by HM Revenue and Customs.

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Donations	5,000	4,309	9,309	22,565
Grant - Co-operative Foundation	-	30,000	30,000	-
Total	5,000	34,309	39,309	22,565
<i>Total by fund 31 December 2017</i>	<i>4,610</i>	<i>17,955</i>	<i>22,565</i>	

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Grants				
Greater London Authority	-	326,040	326,040	982
Greater London Authority - Hub	-	3,582	3,582	-
Tudor Trust	-	-	-	28,000
Big Potential Advanced	-	-	-	48,065
Lewisham Fund	-	-	-	18,750
Lewisham Council	-	84,315	84,315	15,685
Big Lottery - Awards for All	-	9,450	9,450	-
Total	-	423,387	423,387	111,482
<i>Total by fund 31 December 2017</i>	<i>18,750</i>	<i>92,732</i>	<i>111,482</i>	

5 Income from other trading activities

	2018 £	2017 £
Fee income	2,517	4,778
	2,517	4,778

All income from other trading activities is unrestricted.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

6 Analysis of expenditure on charitable activities

	2018 £	As restated 2017 £
Church Grove Project		
Financial advice	11,064	18,795
Strategic advice and group facilitation	2,196	22,806
Architects	35,072	22,994
Accountancy and VAT advice	1,241	4,115
Legal fees	17,261	3,000
Surveys and temporary works	31,001	14,565
Transport planners	10,195	10,871
Cost managers	6,000	13,800
Planning consultant	6,293	27,333
Statutory fees	-	17,700
Valuation services	6,500	-
Salaries ("client costs")	8,563	-
Social impact consultants	-	14,000
Mechanical and electrical engineers	2,000	8,112
Project manager fees	54,188	41,563
Structural engineering	3,906	4,500
Loan interest	13,807	18,164
Other charitable activities		
Community Hub	3,582	-
RUSS School	100	-
Support costs		
Salaries	2,687	-
Recruitment	1,007	-
Office administration	2,837	2,184
Accountancy	650	-
Other costs	687	1,300
Governance costs (see note 8)	1,000	1,000
	<hr/> 221,837	<hr/> 246,802
Transfer to stock	(196,877)	(225,116)
Transfer to fixed assets	(3,582)	-
	<hr/> 21,378	<hr/> 21,686
	<hr/> <hr/>	<hr/> <hr/>
Restricted expenditure	206,227	70,554
Unrestricted expenditure	15,610	176,248
	<hr/> 221,837	<hr/> 246,802
Transfers to stock and fixed assets		
Restricted	(186,652)	(48,075)
Unrestricted	(13,807)	(177,041)
	<hr/> 21,378	<hr/> 21,686
	<hr/> <hr/>	<hr/> <hr/>

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

Analysis of expenditure on charitable activities (continued)

Expenditure net of transfers to stock:

Restricted	19,575	22,479
Unrestricted	1,803	(793)
	<hr/>	<hr/>
	21,378	21,686
	<hr/>	<hr/>

7 Analysis of governance costs

	2018 £	2017 £
Reporting accountant	1,000	1,000
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

8 Net income for the year

This is stated after charging:

	2018 £	2017 £
Accountancy fees	650	610
Reporting accountant's fees	1,000	1,000
	<hr/>	<hr/>

9 Staff costs

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	11,250	-
Social security costs	-	-
	<hr/>	<hr/>
	11,250	-
	<hr/>	<hr/>
Allocated as follows:		
Support costs	2,687	-
Church Grove project management	8,563	-
	<hr/>	<hr/>
	11,250	-
	<hr/>	<hr/>

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

The charity employed the Operations Director from August 2018 on a 3 days per week contract, primarily to undertake the project management of the Church Grove project.

No employee has employee benefits in excess of £60,000 (2017: Nil).

The key management personnel of the charity comprise the trustees and the Operations Director. The total employee benefits of the key management personnel of the charity were £11,250 (2017: £Nil).

10 Trustee remuneration and expenses, and related party transactions

No member of the management committee nor any persons connected with them received any remuneration or reimbursed expenses during the year (2017: Nil).

No trustees received travel and subsistence expenses during the year (2017: £Nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2017: nil).

11 Government grants

The government grants recognised in the accounts were as follows:

	2018 £	2017 £
Greater London Authority	326,040	982
Greater London Authority - Hub	3,582	-
Lewisham Fund	-	18,750
Lewisham Council	84,315	15,685
The Big Lottery	9,450	
	<u>423,387</u>	<u>35,417</u>

12 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

13 Fixed assets: tangible assets

Cost	Buildings £	Total £
At 1 January 2018	-	-
Additions	3,582	3,582
	<hr/>	<hr/>
At 31 December	3,582	3,582
	<hr/>	<hr/>
Net book value		
At 31 December 2018	3,582	3,582
	<hr/>	<hr/>
<i>At 31 December 2017</i>	-	-
	<hr/>	<hr/>

14 Stock

	2018 £	2017 £
Balance brought forward as originally stated	384,852	173,109
Prior period adjustment - capitalisation of interest	22,591	-
	<hr/>	<hr/>
Balance brought forward as restated	407,443	173,109
Additions in the year	196,877	-
Additions in previous period as originally stated	-	202,525
Prior period adjustment - capitalisation of interest	-	22,591
Irrecoverable VAT	6,867	9,218
	<hr/>	<hr/>
Cost at the end of the year	611,187	407,443
	<hr/>	<hr/>

15 Debtors

	2018 £	2017 £
Value Added Tax	7,357	5,563
Prepayments and accrued income	4,388	15,872
	<hr/>	<hr/>
	11,745	21,435
	<hr/>	<hr/>

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	27,091	9,576
Accruals	40,166	11,548
Other loans (see note 23)	220,228	-
	<hr/>	<hr/>
	287,485	21,124
	<hr/>	<hr/>

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

17 Creditors: amounts falling after more than one year

	2018 £	2017 £
Other loans (see note 23)	-	206,421
	<hr/>	<hr/>

18 Share capital

	2018 £	2017 £
Shares brought forward	17,642	15,995
Issued	330	1,647
	<hr/>	<hr/>
	17,972	17,642
	<hr/>	<hr/>

Under the charity's rules members can request refunds of share capital.

Notes to the accounts for the year ended 31 December 2018 (continued)

19 Analysis of movements in restricted funds

Year ended 31 December 2018

	As at 1 January 2018 £	Income £	Revenue expenditure £	Transfers: expenditure on stock and fixed assets £	Transfers to general funds £	Balance at 31 December 2018 £
Church Grove						
Greater London Authority	-	326,040	-	(139,739)	(18,125)	168,176
Big Potential Advanced Groundwork/Locality	24,075 5,724	-	(11,877)	-	(12,198)	-
Lewisham Council for Planning permission London Borough of Lewisham	-	24,315	-	(24,315)	-	5,724
Other						
Community Hub	17,955	7,891	-	(3,582)	-	22,264
Co-operative Foundation RUSS School - Awards for All	-	30,000	(7,598)	-	-	22,402
	-	9,450	(100)	-	-	9,350
Total	47,754	457,696	(19,575)	(186,651)	(42,032)	257,192

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

Year ended 31 December 2017

	As at 1 January 2017 £	Income £	Revenue expenditure £	Transfers: expenditure on stock £	Transfers to general funds £	Balance at 31 December 2017 £
Church Grove						
Greater London Authority	2,469	982	-	-	(3,451)	-
Tudor Trust	-	28,000	(179)	(20,890)	(6,931)	-
Big Potential Advanced	10,663	48,065	(22,300)	(11,500)	(853)	24,075
Groundwork/Locality	7,315	-	-	-	(1,591)	5,724
Lewisham Council	-	15,685	-	(15,685)	-	-
Other						
Community Hub	-	17,955	-	-	-	17,955

Total	20,447	110,687	(22,479)	(48,075)	(12,826)	47,754
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Name of

restricted fund

Greater London Authority

Tudor Trust

Big Potential Advanced

Groundwork/Locality

Lewisham Council

London Borough of

Lewisham

Community Hub

Co-operative Foundation

Crowd-funded donations to support the creation of a community training space where local people can learn about self-build.

Core costs to support environmentally sustainable homes at Church Grove

20 Transfers between funds

Stock

The charity spent restricted grant money on property development. Once the grant had been spent, there was no longer a restriction on the money and the resulting asset can be developed in accordance with the general aims of the charity. The funds have therefore been transferred from restricted to unrestricted funds.

Transfers to general funds

The grant funders agreed that any VAT reclaimed by the charity could be put to the general purposes of the charity. VAT reclaimed on grant funded expenditure has therefore been transferred to general funds.

Notes to the accounts for the year ended 31 December 2018 (continued)

21 Analysis of movement in unrestricted funds
Year ended 31 December 2018

	As at 1 January 2018 as restated £	Income £	Expenditure £	Transfer from restricted funds - expenditure on stock £	Capitalise interest and fixed assets £	Other transfers from restricted funds and further designation £	As at 31 December 2018 £
General fund	-	2,517	(1,803)	-	-	4,541	5,255
Designated fund - Church Grove	206,235	5,000	(13,807)	183,069	13,807	37,491	431,795
Designated fund - Community Hub	-	-	-	-	3,582	-	3,582
	206,235	7,517	(15,610)	183,069	17,389	42,032	440,632

Year ended 31 December 2017

	As at 1 January 2017 £	Income £	Expenditure £	Transfer from restricted funds £	Capitalise interest - prior period adjustment £	Transfer to designated funds £	As at 31 December 2017 as restated £
General fund	-	28,138	(21,798)	60,901	-	(67,241)	-
Designated fund - Church Grove	116,403	-	-	-	22,591	67,241	206,235
	116,403	28,138	(21,798)	60,901	22,591	-	206,235

Name of

unrestricted fund

The free reserves after allowing for all designated funds

Unrestricted funds committed to the Church Grove Project and carried forward in the accounts as stock.

Unrestricted funds spent on the Community Hub and carried forward in the accounts as fixed assets.

Notes to the accounts for the year ended 31 December 2018 (continued)

22 Analysis of net assets between funds

Current reporting period

	Share Capital £	General fund £	Designated fund - Church Grove £	Designated fund - Community Hub £	Restricted funds £	Total £
Tangible fixed assets	-	-	-	3,582	-	3,582
Stock	-	-	611,187	-	-	611,187
Other net current assets	17,972	5,255	40,836	-	257,192	321,255
Creditors of more than one year	-	-	(220,228)	-	-	(220,228)
Total	17,972	5,255	431,795	-	257,192	715,796

Previous reporting period as restated

	Share Capital £	General fund £	Designated fund - Church Grove £	Designated fund - Community Hub £	Restricted funds £	Total £
Stock	-	-	407,443	-	-	407,443
Other net current assets	17,642	-	5,213	-	47,754	70,609
Loans	-	-	(206,421)	-	-	(206,421)
Total	17,642	-	206,235	-	47,754	271,631

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2018 (continued)

23 Financial instruments

Financial instruments measured at amortised cost comprise the loan financing provided by Big Issue Invests and CAF Venturesome bank to the charity.

	2018 £	2017 £
Loans payable falling due within one year	-	-
Loans payable falling due in less than one year	220,228	-
Loans payable falling due in more than one	-	206,421
Loan payable falling due after five years	-	-
	<hr/>	<hr/>
	220,228	206,421
	<hr/>	<hr/>

The loan financing is in the form of an unsecured loan with a fixed interest rate. The £25,000 interest on the CAF Venturesome loan is only payable if the project succeeds.

24 Prior period adjustment

In the accounts for the years ended 31 December 2016 and 31 December 2017, interest on loans taken out to fund the development of the Church Grove housing project was not capitalised. This accounting policy was changed in the year ended 31 December 2018. The affect of this change on

Stock

Stock as at 31/12/17 as previously stated	384,852
Prior period adjustment	22,591

Stock at 31/12/17 as restated	407,443
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Unrestricted funds (note 20)

Unrestricted funds as at 31/12/17 as previously stated	183,644
Prior period adjustment	22,591

Unrestricted funds as at 31/12/17 as restated	206,235
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Unrestricted expenditure (note 6)

Unrestricted expenditure for the year ended 31/12/17 as previously stated	21,798
Prior period adjustment	(22,591)

Unrestricted expenditure for the year ended 31/12/17 as restated	(793)
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