



TRUSTEES REPORT-2020

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1.0 Key Facts

| | |
|----------------------------------|--|
| Registered society number | 30624R |
| Registered office | 11 Walters Way Honor Oak Park London SE23 3LH |
| Operational Address | 12 Church Grove, London, SE13 7UU |
| 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: |

| <u>Name</u> | <u>Elected/Co-opted</u> | <u>Joining Date</u> | <u>Stepped down</u> |
|--------------------------------|-------------------------|-----------------------------|---------------------|
| Anurag Verma - Chair | Elected | 28 th April 2018 | |
| Phil Morris - Treasurer | Elected | 27 th June 2020 | |
| Benny Lee – Secretary | Elected | 27 th June 2020 | |
| Ethan Williams | Elected | 23 rd June 2019 | |
| Shelina Hooper | Elected | 27 th June 2020 | |
| Eleanor Margolies | Elected | 27 th June 2020 | |
| Anne Kennedy | Elected | 27 th June 2020 | |

| <u>Name</u> | <u>Elected/Co-opted</u> | <u>Joining Date</u> | <u>Stepped down</u> |
|----------------------|-------------------------|----------------------------|----------------------------|
| Jessica Tsang | Elected | 27 th June 2020 | |
| James Kinnersly | Elected | 27 th June 2020 | |
| Colette Snape | Elected | 23 rd June 2019 | 27 th June 2020 |
| Edward (Ted) Stevens | Elected | 18th March 2017 | 27th June 2020 |
| Megan Ancliffe | Elected | 28th April 2018 | 27th June 2020 |
| Gillian Cooper | Elected | 23 rd June 2019 | 27 th May 2020 |

Key management personnel:

The Trustees as a body.

Dinah Roake – Operations Director

Debbie Noel - Finance and Admin Officer

Bank

The Co-operative Bank

Solicitors

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

Auditor

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

2.0 Report and financial statements

The Trustees present their report and the audited financial statements for the year ended 31 December 2020. Reference and administrative information set out on pages 2-4 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*.

3.0 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, physical activity, and other leisure time occupation in the interest of social welfare and improving quality 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.

4.0 2020 Review

This report reviews RUSS's achievements and the outcomes of its work during 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.

In early 2020 RUSS's operations team successfully switched to online working due to the onset of the Covid-19 pandemic and subsequent lockdown. Using tools such as Zoom and Microsoft Teams, our committees continued to develop their respective projects and maintain oversight of the organisation. Online meetings have benefitted both the Finance & Audit committee, and the Project Board by allowing members to meet more regularly. In the case of the latter, the increased flexibility enabled RUSS to drive the Church Grove project forward at an accelerated pace.

The 2019-20 RUSS Business Plan helped to focus the progress of the organisation and its achievements over the reporting period. The Business Plan has recently been updated for 2021, with objectives falling 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

RUSS will also be developing a long-term business plan during 2021.

4.1 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. Its first pilot project at Church Grove, Lewisham will deliver an economically, socially, and environmentally sustainable neighbourhood, building 36 affordable homes for local people on low incomes.

During 2020 significant progress was made on the redesign of the project after tender returns in 2019 exceeded the budget. Working closely with our project team and Lewisham Council's planning department, we submitted an application for making 'Minor Material Amendments' to the scheme in November 2020. The proposal rationalised the extant scheme while providing 3 additional homes, improved public access to the Ravensbourne river, and a reduced in-use carbon footprint by moving to an all-electric scheme. The application was approved by the Lewisham Council Planning Committee in February 2021.

During 2020, the Greater London Authority released the remaining £256,880 of funds from a previously approved capital grant, and provided an additional £127,000 of revenue grant to fund the services necessary to amend the Church Grove scheme. RUSS was also successful in obtaining grants from Access Reach, Lewisham Council and Tesco Bags of Help.

In September 2020, RUSS made a decision-in-principle to submit an application for acquiring registered provider (RP) status. Work on the application will commence in 2021 and by first occupation of homes in late 2022 we will either have RP status or, if unsuccessful, will partner with an established RP.

To summarise, during 2020 RUSS prioritised the delivery of the Church Grove project and, thanks to the hard work of Dinah Roake, our Operations Director, and the Church Grove Project Board, we expect to be making a start on site in late July 2021.

The Community Hub

The business plan for the Hub was formally adopted by the board on 4 June 2020. It will serve as a temporary office for our Operations Director and Finance and Admin Officer as well as a space for RUSS to host its committee meetings, educational programme, Resident Group, and public events. The Hub will also be offered for hire in its entirety or as discrete hot desk workspaces. The plan shows that the Hub will remain unused by RUSS for roughly half of its opening hours, with local community groups being able to benefit from the space during this time through free, or discounted, hire.

Due to the Covid-19 pandemic, the Community Hub is currently closed, with our 2 staff members working remotely from home. All face-to-face RUSS events have been cancelled or postponed, with School events, Board meetings, members events and Resident Group meetings being run online. Due to the lockdown, the Hub is not currently available for hire and no income was realised in the year 2020.

4.2 Building an effective organisation

RUSS has continued to increase the breadth of skills available on the Board of Trustees. Five new Trustees were elected to the Board in 2020 after a public recruitment process: James Kinnerly; Jessica Tsang; Shelina Hooper; Eleanor Margolies; and Benny Lee. In addition to this, Anne Kennedy and Phil Morris, who were previously co-opted, were elected onto the Board.

The new Trustees

Shelina works at the Regulator of Social Housing as a financial analyst and has over a decade of social housing experience. She has extensive experience in assessing and improving the financial viability of housing projects, as well as the governance and regulatory compliance of housing development organisations. She brings her in-depth knowledge of social housing regulations, funding, finances and management to RUSS.

James is a Chartered Town Planner with a decade of experience in both planning and development. He has wide-ranging expertise that include negotiating and holding relationships with planning authorities, conducting feasibility studies, engaging and involving residents, and overseeing housing projects through to delivery.

Eleanor is an experienced campaigner and community leader, she was Chair of the East Dulwich Estate Regeneration Project Team for five years, where she worked with residents and Southwark Council to plan and oversee new building work and refurbishment of estate landscaping, ensuring that residents' views and interests were heard and acted upon. She is a future Church Grove resident and a long-standing member of RUSS.

Jessica is a Vice President in Operational Risk Management at Goldman Sachs. Jessica is a longstanding RUSS volunteer with a background as an economist, researching land use, planning, growth, and regeneration. She has experience in managing relationships with financial sponsors and aims to support RUSS to manage and secure grants and loans for the Church Grove Project and our core organisational work.

Benny is an Actuary with experience in accounting, finance, and risk management. He has previously acted as the Secretary to the Board of Trustees for one of the largest pension schemes in the UK. This has provided valuable insight into how to establish and improve governance procedures. His experience in cashflow modelling and company accounts, both as an actuarial consultant and a company secretary, enables the board to maintain effective oversight of our finances and the development of the organisation.

Anne has been active with RUSS since 2015 and manages the RUSS School, oversees new membership, and contributes as needed to the Church Grove project and the development of the Hub.

Phil was recruited in November 2018 as Treasurer. He is a qualified accountant with 40 years' experience in housing, including developing the original financial model used by Chisel Ltd to develop self-build housing for rent in the early 1990s. His involvement with housing co-operatives and community led housing also includes a long association with the Coin Street development.

RUSS employees

RUSS employs 2 staff members who are responsible for the core operations of the organisation and provide support on all projects and initiatives:

Dinah Roake joined RUSS as Operations Director in 2018 and is responsible for the day-to-day running of the Church Grove project. Dinah has been a tremendous asset for RUSS over the last few years and was the driving force behind gaining planning permission for Church Grove and bringing it to start on site.

Debbie Noel joined RUSS in 2019 as Finance and Administration officer. Debbie has been instrumental in building and improving RUSS' financial, administrative and governance processes and systems. Debbie's tireless work improving RUSS's IT infrastructure allowed for a seamless transition to remote working during 2020.

4.3 Raising awareness of Community-Led Housing

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.

The RUSS School of Community-Led Housing made excellent progress during 2020 successfully transitioning from on-site to online classes. A program of 5 modules is being developed by the School, aligned with the 5 stages of Community-Led Housing: Group > Site > Plan > Build > Live. Each of these modules directly draw from RUSS's own journey and experience. During 2020, '*Module 3(a) – Getting Permission*', was successfully trialled, with the follow up '*Module 3(b) – Preparing to start on site*', scheduled to go live in 2021.

We are, as always thankful to CLH London and CDS Co-operatives for providing ongoing support and a venue for School events in 2020.

During 2020, RUSS also raised awareness of community-led housing through a series of Community Housing Meetings, as well participation in discussions and lectures at professional and academic events. These include events hosted by other Community-Led Housing organisations, such as the NECLH and CLH London.

RUSS's membership has continued to grow, and by the end of 2020 had surpassed 1,000.

5.0 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 communication 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.

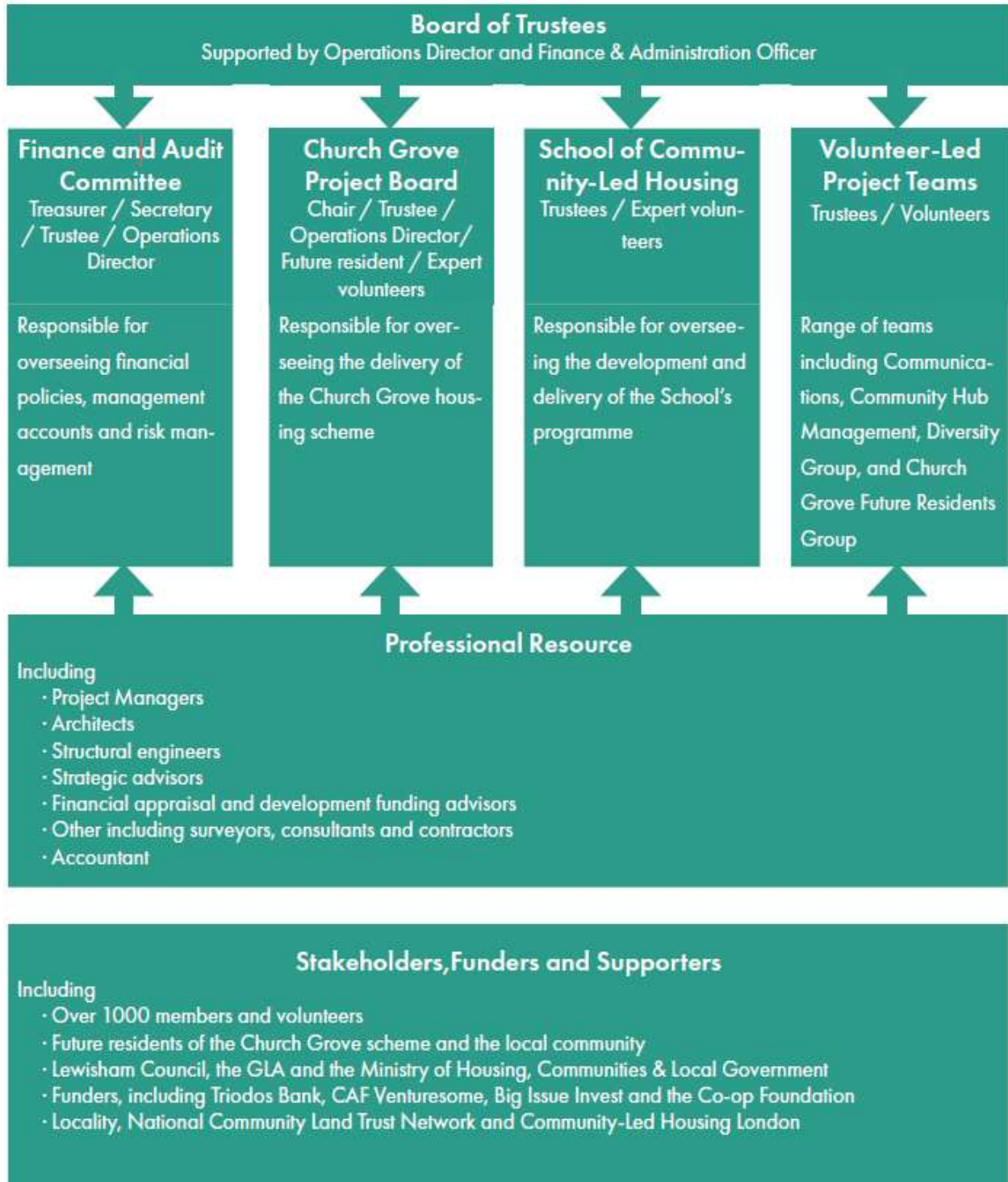
RUSS's Board of Trustees are collectively responsible for setting the overall strategic direction for the organisation, monitoring performance against its strategic objectives and ensuring that the organisation's resources and finances are being managed effectively. Some elements of the board's work are carried out through sub-committees, including the Finance and Audit Committee, the Church Grove Project Board, the School of Community Led Housing, and Volunteer-Led Project Teams.

The day-to-day running of the organisation is carried out by the Operations Director and Finance and Administration Officer. Volunteers are central to the organisation's work and play a leading role in a range of projects and ongoing tasks, including communications, fundraising and events.

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

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

Current Structure:



6.0 Financial review

Total income recognised in the period amounted to £404,888 (2019: £492,804). Income was made up of grants for charitable activities (Lewisham and Locality), donations, income from the Hub, and income from the School's training workshops. During the year grants were received from Access Reach, Tesco Bags of Help, Lewisham Council, GLA's Innovation Fund and the GLA's Community Housing Fund. 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 2021.

Expenditure for the year amounted to £326,505 (2019: £596,044), of which £245,427 (2019: £405,689) was transferred to stock and £nil (2019: £85,651) was capitalised as fixed assets (the Community Hub). £nil (2019: £47,750) was prepaid in respect of securing loan finance for the Church Grove development. The remaining £81,078 (2019: £56,954) was reflected in the Statement of Financial Activities. All the expenditure was on charitable activities.

7.0 Plans for the future

RUSS updated its Business Plan in 2020, clearly setting out the main tasks and priorities for the period to 31 December 2021. The plan focuses on five key areas:

1. The delivery of the Church Grove scheme.
2. Setting up as a Registered Provider.
3. Building an effective, well-resourced organisation.
4. Broadening RUSS's campaigning/training work.
5. Investigating involvement in future projects

On the first of these, RUSS will work with the Church Grove Project Team to finalise the RIBA Stage 4 Technical Design, complete a tender for the construction project, and negotiate an agreement with our preferred contractor by May 2021. In addition, RUSS secured a grant offer from the GLA and Heads of Terms for loans from BII and Triodos Bank UK by June 2021, for the full scheme costs. Achieving all this will allow us to meet our aim of making a start on site before the end of July, thereby keeping our promise to stakeholders and residents. Concurrent with this, RUSS will confirm the self-build opportunities available to future residents, along with corresponding training opportunities.

RUSS will also start the application process to become a Registered Provider and commence work on its housing management systems.

The composition and role of the Project Board will be updated once the Church Grove Project has started on site to reflect the shift in focus of RUSS' key actions responsibilities towards housing management and applying to become a Registered Provider. Appropriately skilled Project Board Members will be recruited as required.

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. Over the last year some of our plans in this area had to be put on hold. This was in part due to the Covid-19 pandemic and in part due to the prioritisation of the Church Grove Project. In 2021, we will revisit these plans to ensure that our core operations will have adequate, long-term funding. We will also recruit appropriately, and as required, for RUSS' core paid positions.

Over 2021, the RUSS School will expand its offer with a new Module 3, sharing our experience of bringing the Church Grove project to starting on site.

We are looking forward to generating a regular income stream from the HUB in 2021. As it currently stands this will be possible from the end of June, with the easing of COVID-19 social restrictions.

Various additional projects are being led by the Trustees, including the development of an equality and diversity action plan, refining the communications strategy, establishing volunteer management processes, progressing the introduction of the proposed subscription, and continuing to grow the membership.

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

8.0 Reserves policy

At the end of the financial year, RUSS's unrestricted funds amounted to £1,024,881 (2019: £817,368). The funding received to build Church Grove, as stock, and the Community Hub, as a fixed asset, are accounted for separately. The Trustees have designated £961,053 (2019: £722,594) to the Church Grove Project and £49,864 (2019: £84,949) to the Community Hub, leaving the free reserves balance at £13,964 (2019: £9,825).

Share capital of £13,313 (2019: £18,099) also supports RUSS' activities, but members can redeem their shares under the Rules at any time.

The Trustees aim to maintain the unrestricted reserves at such a level so that the available, unrestricted cash equivalents amount to £10,000 over the medium-term. This has been challenging to achieve for an organisation that, to date, has been run by volunteers and without core funding.

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

- Supporting the organisation's cash-flow.
- Providing cover for unforeseen emergency costs.
- Providing security within an uncertain funding environment.

9.0 Risk management

RUSS recognises that it needs to carry out its activities in such a way that all potential risks are identified, managed, and, appropriately 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.

10.0 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, including the income, expenditure, and the application of the charitable society's resources for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and 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 24th June 2021 and signed on their behalf by



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Anurag Verma (Chair)

Independent auditor's report to Rural Urban Synthesis Society Limited

Opinion

We have audited the financial statements of Rural Urban Synthesis Society Limited (the 'society') for the year ended 31 December 2020 which comprise the revenue account, the balance sheet, 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, including Financial Reporting Standard 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 society's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 society 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 charitable company'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 Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditor's report to Rural Urban Synthesis Society Limited (continued)

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; 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 Board

As explained more fully in the Board's responsibilities statement [set out on page ...], the Board is 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 Board determines 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 Board is responsible for assessing the society'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 Board either intends to liquidate the society 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 these financial statements.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and environment in which it operates, we identified the principal risks of non-compliance with laws and regulations related to pension legislation, tax legislation, employment legislation, health and safety legislation, and other legislation specific to the industry in which the group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Co-operative and Community Benefit Societies Act 2014, the reporting requirements under the Charities SORP and FRS102, and the Charities Act 2011. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principle risks were related to the pressure on management to achieve particular results. Audit procedures performed by the group engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries; and
- Challenging assumptions and judgments made by management.

Independent auditor's report to Rural Urban Synthesis Society Limited (continued)

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 society. Our audit work has been undertaken so that we might state to the society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society for our audit work, for this report, or for the opinions we have formed.

Third Sector Accountancy Limited

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

25 / 06 / 2021

Rural Urban Synthesis Society Limited
Statement of Financial Activities
for the year ended 31 December 2020

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2020 £ | Unrestricted funds £ | Restricted funds £ | Total funds 2019 £ |
|--|------|-------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|
| Income from: | | | | | | | |
| Donations and legacies | 3 | 872 | - | 872 | 1,910 | 11,114 | 13,024 |
| Charitable activities | 4 | 5,000 | 398,171 | 403,171 | - | 476,974 | 476,974 |
| Other trading activities | 5 | 845 | - | 845 | 2,806 | - | 2,806 |
| Total income | | 6,717 | 398,171 | 404,888 | 4,716 | 488,088 | 492,804 |
| Expenditure on: | | | | | | | |
| Charitable activities | 6 | 54,737 | 26,341 | 81,078 | 15,399 | 41,555 | 56,954 |
| Charitable activities - abortive costs | 14 | - | - | - | 223,170 | - | 223,170 |
| Total expenditure | | 54,737 | 26,341 | 81,078 | 238,569 | 41,555 | # 280,124 |
| Net income/(expenditure) for the year | 8 | (48,020) | 371,830 | 323,810 | (233,853) | 446,533 | 212,680 |
| Transfer between funds | 20 | 255,533 | (255,533) | - | 610,589 | (610,589) | - |
| Net movement in funds for the year | | 207,513 | 116,297 | 323,810 | 376,736 | (164,056) | 212,680 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 817,368 | 93,136 | 910,504 | 440,632 | 257,192 | 697,824 |
| Total funds carried forward | | 1,024,881 | 209,433 | 1,234,314 | 817,368 | 93,136 | 910,504 |

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

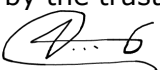
Rural Urban Synthesis Society Limited

Balance Sheet
as at 31 December 2020


| | Note | 2020 | | 2019 | |
|---|------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 13 | | 53,378 | | 91,057 |
| Total fixed assets | | | 53,378 | | 91,057 |
| Current assets | | | | | |
| Stock | 14 | 1,072,888 | | 814,845 | |
| Debtors | 15 | 63,048 | | 59,592 | |
| Cash at bank and in hand | | 378,451 | | 252,957 | |
| Total current assets | | 1,514,387 | | 1,127,394 | |
| Creditors: amounts falling due in less than one year | 16 | (267,875) | | (58,532) | |
| Net current assets | | | 1,246,512 | | 1,068,862 |
| Total assets less current liabilities | | | 1,299,890 | | 1,159,919 |
| Creditors: amounts falling due after more than one year | 17 | | (52,263) | | (231,316) |
| Net assets | | | 1,247,627 | | 928,603 |
| Funds of the charity: | | | | | |
| Share capital | 18 | | 13,313 | | 18,099 |
| Restricted income funds | 19 | | 209,433 | | 93,136 |
| Designated funds | 21 | | 1,024,881 | | 817,368 |
| Total charity funds | | | 1,247,627 | | 928,603 |

The notes on pages 26 to 42 form part of these accounts.

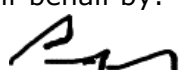
Approved by the trustees on 24 June 2021 and signed on their behalf by:



Anurag Verma (Trustee)



Ben Lee (Secretary)



Phil Morris (Treasurer)

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020

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.

The trustees consider that the critical issue is the successful development of the Church Grove Project. The Greater London Authority has agreed grant funding to complete the design of the revised scheme through the submission of a minor amendment for planning permission and the tendering of the scheme to be ready for a start on site.

The Trustees agreed the recommendation, of the Project Board, to enter into the Building Contract, GLA Grant Agreement and Triodos and Big Issue Invest loan documentation at a meeting on 24 June 2021. The expected start on site is July 2021. For further details see note 25, Post Balance Sheet Events.

Provision was made at 31 December 2019 for abortive costs on the development (see note 14). The trustees consider that the stock value of the scheme represents realisable value, and that costs to be incurred, including staff costs and overheads, will also be recoverable through the development, unless otherwise funded from grants and other funding already received.

Covid 19 has introduced uncertainty into the housing market and into the costs of housing development. The trustees do not consider that this will adversely affect Church Grove as compared to any other housing development at this time.

c Key judgements and estimates

The trustees have made no key judgments which have a significant effect on the accounts, other than:-

The trustees have considered the costs incurred on Church Grove, and the costs required for consultants to complete the redesign and re-tender, and consider that no abortive costs were incurred in 2020 (2019: £223,170 see note 14).

The trustees do not consider that there are any other 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.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

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.

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 Bank.

g 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.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

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:

- 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.

i 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, which is 30 months from 1 December 2019.

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 July 2021, or earlier.

j 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 between 36 dwellings under a revised planning permission. The costs represent professional fees incurred in order to design the houses and gain planning permission, which was originally achieved in 2018 and revised approval granted in February 2021. 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 July 2021. The value of shared equity/ownership properties that are held for sale will be included in current assets until they are sold.

k 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.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

l 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.

m 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.

n 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.

o 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.

2 Legal status of the charity

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

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

3 Income from donations and legacies

| | Unrestricted £ | Restricted £ | Total 2020 £ | Unrestricted £ | Restricted £ | Total 2019 £ |
|---------------------------------|-------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| Donations | 872 | - | 872 | 1,910 | 1,114 | 3,024 |
| Legacies | - | - | - | - | - | - |
| Donated services | - | - | - | - | - | - |
| Grant - Co-operative Foundation | - | - | - | - | 10,000 | 10,000 |
| Total | 872 | - | 872 | 1,910 | 11,114 | 13,024 |

4 Income from charitable activities

| | Unrestricted £ | Restricted £ | Total 2020 £ | Unrestricted £ | Restricted £ | Total 2019 £ |
|--------------------------------|-------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| Grants | | | | | | |
| Greater London Authority | - | 383,880 | 383,880 | - | 405,080 | 405,080 |
| Greater London Authority - Hub | - | - | - | - | 26,418 | 26,418 |
| CDS | - | - | - | - | 15,000 | 15,000 |
| Span Trust | - | - | - | - | 8,500 | 8,500 |
| Screwfix | - | - | - | - | 5,000 | 5,000 |
| Lewisham Boundary Works | - | - | - | - | 8,476 | 8,476 |
| Vinci 2019 | - | - | - | - | 6,000 | 6,000 |
| CLH - RUSS school | - | - | - | - | 2,500 | 2,500 |
| Access Reach | - | 13,125 | 13,125 | - | - | - |
| Tesco - Bags of Help | - | 1,166 | 1,166 | - | - | - |
| Lewisham Council | 5,000 | - | 5,000 | - | - | - |
| Big Lottery - Awards for All | - | - | - | - | - | - |
| Total | 5,000 | 398,171 | 403,171 | - | 476,974 | 476,974 |

5 Income from other trading activities

| | Unrestricted £ | Restricted £ | 2020 £ | Unrestricted £ | Restricted £ | 2019 £ |
|-----------------------------|-------------------|-----------------|------------|-------------------|-----------------|--------------|
| Fee income | 845 | - | 845 | - | - | 2,806 |
| Consultancy | - | - | - | - | - | - |
| Non-primary purpose trading | - | - | - | - | - | - |
| Total | 845 | - | 845 | 2,806 | - | 2,806 |

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

6 Analysis of expenditure on charitable activities

| | 2020 | 2019 |
|---|-----------|-----------|
| | £ | £ |
| Church Grove Project | | |
| Accountancy and VAT advice | - | 820 |
| Building control approved inspector | - | 875 |
| Salaries - client costs | 22,555 | 22,684 |
| Cost managers and employer's agent | 19,729 | 42,600 |
| Architects | 66,200 | 84,690 |
| Loan commitment fee | - | 29,750 |
| Financial advice | 13,125 | - |
| Fire engineer | 3,700 | 8,250 |
| Landscape architects | 5,370 | 4,015 |
| Legal fees | (765) | 31,667 |
| Mechanical and electrical engineers | 33,967 | 70,516 |
| Main contractor - pre construction | 516 | 30,274 |
| Project manager fees | 14,475 | 51,587 |
| Statutory fees | 8,793 | 7,616 |
| Structural engineering | 25,547 | 37,788 |
| Surveys and temporary works | - | 22,686 |
| Strategic advice and group facilitation | - | - |
| Transport planners | 6,350 | 960 |
| Planning consultants | 27,450 | - |
| Valuation services | - | - |
| Loan interest | 10,775 | 6,089 |
| Other charitable activities | | |
| Community Hub | - | 104,434 |
| RUSS School | 3,765 | 8,395 |
| Support costs | | |
| Salaries | 17,072 | 12,927 |
| Recruitment | - | - |
| Office administration | 1,873 | 1,470 |
| Accountancy | 1,010 | 760 |
| Insurance | 1,080 | 1,162 |
| Room and venue hire | - | 3,377 |
| Subscriptions | 660 | 1,007 |
| Training | - | 1,096 |
| Other costs | 235 | 163 |
| Loan interest | 1,844 | 419 |
| Depreciation | 37,679 | 3,140 |
| Governance costs (see note 8) | 3,500 | 4,827 |
| | 326,505 | 596,044 |
| Transfer to stock (see note 14) | (245,427) | (405,689) |
| Transfer to prepayments (see note 15) | - | (47,750) |
| Transfer to fixed assets (see note 13) | - | (85,651) |
| | 81,078 | 56,954 |

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

Analysis of expenditure on charitable activities (continued)

| | 2020 £ | 2019 £ |
|--|-------------|-------------|
| Restricted expenditure | 260,993 | 570,845 |
| Loan interest capitalised as stock | 10,775 | 6,089 |
| Unrestricted expenditure | 54,737 | 19,110 |
| | <hr/> | <hr/> |
| | 326,505 | 596,044 |
| Transfers to stock, prepayments and fixed assets | | |
| Restricted | (234,652) | (529,290) |
| Loan interest capitalised as stock | (10,775) | (6,089) |
| Unrestricted | - | (3,711) |
| | <hr/> | <hr/> |
| | 81,078 | 56,954 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Expenditure net of transfers to stock: | | |
| Restricted | 26,341 | 41,555 |
| Unrestricted | 54,737 | 15,399 |
| | <hr/> | <hr/> |
| | 81,078 | 766,906 |
| | <hr/> <hr/> | <hr/> <hr/> |

7 Analysis of governance costs

| | 2020 £ | 2019 £ |
|------------------------|-------------|-------------|
| Accounts preparation | - | 1,200 |
| Auditor's remuneration | 3,500 | 3,500 |
| Meeting costs | - | 127 |
| | <hr/> | <hr/> |
| | 3,500 | 4,827 |
| | <hr/> <hr/> | <hr/> <hr/> |

8 Net income for the year

| This is stated after charging: | 2020 £ | 2019 £ |
|-------------------------------------|-------------|-------------|
| Depreciation | 37,679 | 3,140 |
| Auditor's remuneration - audit fees | 3,500 | 3,500 |
| Accountancy fees | 1,010 | 1,960 |
| | <hr/> <hr/> | <hr/> <hr/> |

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

9 Staff costs

Staff costs during the year were as follows:

| | 2020 £ | 2019 £ |
|---------------------------------|-----------|-----------|
| Wages and salaries | 39,590 | 35,599 |
| Social security costs | 37 | 12 |
| Pension costs | - | - |
| | 39,627 | 35,611 |
| | 39,627 | 35,611 |
| Allocated as follows: | | |
| Support costs | 17,072 | 12,927 |
| Church Grove project management | 22,555 | 22,684 |
| | 39,627 | 35,611 |
| | 39,627 | 35,611 |

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 (2019: Nil).

The average number of staff employed during the period was 2 (2019: 2).

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 £30,000 (2019: £30,000).

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 (2019: Nil).

No trustees received travel and subsistence expenses during the year (2019: £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 (2019: nil).

Edward (Ted) Stevens, a Trustee, received a standard fee of £80 for a presentation for the Russ School in February 2020.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

11 Government grants

The government grants recognised in the accounts were as follows:

| | 2020 £ | 2019 £ |
|--------------------------------|-------------|-------------|
| Greater London Authority | 383,880 | 405,080 |
| Greater London Authority - Hub | - | 26,418 |
| Lewisham Council | 5,000 | 8,476 |
| The Big Lottery | - | - |
| | <hr/> | <hr/> |
| | 388,880 | 439,974 |
| | <hr/> <hr/> | <hr/> <hr/> |

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.

13 Fixed assets: tangible assets

| Cost | Long lease | The Hub £ | Total £ |
|------------------------|-------------|--------------|-------------|
| At 1 January 2020 | 1 | 94,196 | 94,197 |
| Additions (see note 6) | - | - | - |
| Irrecoverable VAT | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 December | 1 | 94,196 | 94,197 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Depreciation | | | |
| At 1 January 2020 | - | 3,140 | 3,140 |
| Charge for the year | - | 37,679 | 37,679 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December | - | 40,819 | 40,819 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Net book value | | | |
| At 31 December 2020 | 1 | 53,377 | 53,378 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 December 2019 | 1 | 91,056 | 91,057 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

On 30 September 2019 the charity concluded a 250 year lease on the land at Church Grove. The lease is subject to restrictions regarding its use so it is not believed that the land has any value in excess of the premium of £1.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

14 Stock

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Balance brought forward as originally stated | 814,845 | 611,187 |
| Additions in the year (see note 6) | 245,427 | 405,689 |
| Irrecoverable VAT | 12,616 | 21,139 |
| Abortive costs | - | (223,170) |
| | 1,072,888 | 814,845 |
| | 1,072,888 | 814,845 |

15 Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|-----------|-----------|
| Value Added Tax | 15,119 | 11,442 |
| Prepayments and accrued income | 47,929 | 48,150 |
| | 63,048 | 59,592 |
| | 63,048 | 59,592 |

16 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Trade creditors | 34,412 | 12,829 |
| Accruals | 11,371 | 45,703 |
| Loans falling due in less than one year | 222,092 | - |
| | 267,875 | 58,532 |
| | 267,875 | 58,532 |

17 Creditors: amounts falling after more than one year

| | 2020 £ | 2019 £ |
|---------------------------|-----------|-----------|
| Other loans (see note 23) | 52,263 | 231,316 |
| | 52,263 | 231,316 |

18 Share capital

| | 2020 £ | 2019 £ |
|------------------------|-----------|-----------|
| Shares brought forward | 18,099 | 17,972 |
| Issued | 413 | 661 |
| Repaid | (5,199) | (534) |
| | 13,313 | 18,099 |
| | 13,313 | 18,099 |

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

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

19 Analysis of movements in restricted funds

Year ended 31 December 2020

| | As at 1 January 2020 £ | Income £ | Revenue expenditure £ | Transfers: expenditure on stock and prepayments £ | Transfers: irrecoverable VAT £ | Transfers to general funds £ | Balance at 31 December 2020 £ |
|--|---------------------------------|----------------|-----------------------------|---|---|------------------------------------|---|
| Church Grove | | | | | | | |
| Greater London Authority - Innovation Fund | 32,527 | 256,880 | 765 | (158,009) | (5,886) | (8,339) | 117,938 |
| Greater London Authority - Community Housing Fund | - | 127,000 | | (65,782) | (2,910) | - | 58,308 |
| London Borough of Lewisham | 28,580 | - | | (10,861) | - | (3,746) | 13,973 |
| Groundwork/Locality Access Reach | 5,724 | - | (13,125) | | - | - | 5,724 |
| | | 13,125 | | | - | - | - |
| Other | | | | | | | |
| Co-operative Foundation | 23,325 | - | (9,835) | | - | - | 13,490 |
| Tesco - Bags of Help | | 1,166 | (1,166) | | - | - | - |
| RUSS School - Awards for All | 2,980 | - | (2,980) | | - | - | - |
| Total | 93,136 | 398,171 | (26,341) | (234,652) | (8,796) | (12,085) | 209,433 |

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

Year ended 31 December 2019

| | As at 1 January 2019 £ | Income £ | Revenue expenditure £ | Transfers: expenditure on stock and prepayments £ | Transfers: spend on fixed assets £ | Transfers to general funds | Balance at 31 December 2019 £ |
|---|---------------------------------|----------------|-----------------------------|---|---|-------------------------------|---|
| Church Grove | | | | | | | |
| Greater London Authority - Innovation Fund | 168,176 | 405,080 | (14,436) | (447,350) | | (78,943) | 32,527 |
| Groundwork/Locality Lewisham Boundary Works | 5,724 | - | - | - | - | - | 5,724 |
| London Borough of Lewisham | - | 8,476 | (8,476) | - | - | - | - |
| Other | 29,276 | | (696) | - | - | 0 | 28,580 |
| Community Hub | 22,264 | 62,032 | - | - | (81,939) | (2,357) | - |
| Co-operative Foundation | 22,402 | 10,000 | (9,077) | - | - | - | 23,325 |
| RUSS School - Awards for All | 9,350 | 2,500 | (8,870) | - | - | - | 2,980 |
| Total | 257,192 | 488,088 | (41,555) | (447,350) | (81,939) | (81,300) | 93,136 |

**Name of
restricted fund**

Greater London Authority

Groundwork/Locality
Lewisham Council

London Borough of Lewisham

Community Hub

Co-operative Foundation

Access Reach

Tesco - Bags of Help

Big Lottery - Awards for

All

Description, nature and purposes of the fund

Grant funding towards the pre-development costs for the Church Grove project (Innovation Fund and Community Housing Fund). Following start on site the grants to date (Innovation Fund £988,000, Community Housing Fund £127,000) will be repaid but replaced by an increased grant from the Community Housing Fund.

Grant to support the co-design process for the Church Grove project.

Funding to support costs of planning application.

Funding for community-led housing to support the Church Grove project

Crowd-funded donations and small grants 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.

Grant to support the costs of becoming investment-ready.

Core costs to support bringing benefits to the community

For education work by RUSS School

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

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.

21 Analysis of movement in unrestricted funds

Year ended 31 December 2020

| | As at 1 January 2020 as restated £ | Income £ | Expenditure £ | Abortive costs | Transfer from restricted funds: spend on stock, prepayments and fixed assets £ | Transfer from restricted funds: Irrecoverable VAT £ | Other transfers from restricted funds and further designation £ | As at 31 December 2020 £ |
|------------------------------------|--|--------------|------------------|-------------------|---|--|--|-----------------------------------|
| General fund | 9,825 | 6,717 | (19,652) | - | - | - | 17,074 | 13,964 |
| Designated fund - Church Grove | 722,594 | - | - | - | 234,652 | 8,796 | (4,989) | 961,053 |
| Designated fund - Community Hub | 84,949 | - | (35,085) | - | - | - | - | 49,864 |
| | <u>817,368</u> | <u>6,717</u> | <u>(54,737)</u> | <u>-</u> | <u>234,652</u> | <u>8,796</u> | <u>12,085</u> | <u>1,024,881</u> |

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

Year ended 31 December 2019

| | <i>As at 1 January 2019</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Abortive costs £</i> | <i>Transfer from restricted funds: spend on stock, prepayments and fixed assets £</i> | <i>Capitalise fixed assets £</i> | <i>Other transfers from restricted funds and further designation £</i> | <i>As at 31 December 2019 £</i> |
|--|-------------------------------------|---------------------|--------------------------|---------------------------------|---|--|--|---|
| <i>General fund</i> | 5,255 | 4,716 | (12,470) | | - | - | 12,324 | 9,825 |
| <i>Designated fund - Church Grove</i> | 431,795 | - | - | (223,170) | 447,350 | - | 66,619 | 722,594 |
| <i>Designated fund - Community Hub</i> | 3,582 | - | (2,929) | | 81,939 | 3,711 | (1,354) | 84,949 |
| | <u>440,632</u> | <u>4,716</u> | <u>(15,399)</u> | <u>(223,170)</u> | <u>529,289</u> | <u>3,711</u> | <u>77,589</u> | <u>817,368</u> |

**Name of
unrestricted fund**

General fund
Designated fund - Church
Grove
Designated fund -
Community Hub

Description, nature and purposes of the 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 or as VAT recovered and not yet spent, or as prepayments of loan costs.
Unrestricted funds spent on the Community Hub and carried forward in the accounts as fixed assets.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (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 | - | 3,514 | - | 49,864 | - | 53,378 |
| Stock | - | - | 1,072,888 | - | - | 1,072,888 |
| Other net current assets | 13,313 | 30,450 | (79,572) | - | 209,433 | 173,624 |
| Loans | - | (20,000) | (32,263) | - | - | (52,263) |
| Total | 13,313 | 13,964 | 961,053 | 49,864 | 209,433 | 1,247,627 |

Previous reporting period

| | Share Capital £ | General fund £ | Designated fund - Church Grove £ | Designated fund - Community Hub £ | Restricted funds £ | Total £ |
|--------------------------|-----------------------|----------------------|--|---|--------------------------|----------------|
| Tangible fixed assets | - | 6,108 | - | 84,949 | - | 91,057 |
| Stock | - | - | 814,845 | - | - | 814,845 |
| Other net current assets | 18,099 | 23,717 | 119,065 | - | 93,136 | 254,017 |
| Loans | - | (20,000) | (211,316) | - | - | (231,316) |
| Total | 18,099 | 9,825 | 722,594 | 84,949 | 93,136 | 928,603 |

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

23 Financial instruments

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

| | 2020 £ | 2019 £ |
|---|-------------|-------------|
| Loans payable falling due in more than one year but in less than five years | 52,263 | 231,316 |
| Loans payable falling due in less than one year | 222,092 | - |
| | <hr/> | <hr/> |
| | 274,355 | 231,316 |
| | <hr/> <hr/> | <hr/> <hr/> |

The loan financing from CAF Venturesome bank and The Co-operative Foundation is unsecured with a fixed interest rate. The £25,000 interest on the CAF Venturesome loan is only payable if the project succeeds, although £15,000 of it has already been paid in good will to acknowledge their patience with the delays.

The loan from Big Issue Invests is secured on the assets of the charity. The balance is £112,092 (2019: £107,566).

24 Capital commitments

At 31 December 2020 the trustees had authorised expenditure of £255,926 on Church Grove (2019: £nil). The expenditure committed at 31 December 2020 is being funded from balances of grants and loans held.

25 Post Balance Sheet Events

On 24 June 2021 the Trustees, following a recommendation from the Project Board, agreed to enter into:-

- The agreed building contract with the contractor
- The GLA Grant Agreement
- The loan documentation for the Triodos Bank facility
- The loan documentation for the Big Issue Invest facility

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2020 (continued)

25 Post Balance Sheet Events (continued)

The approved costs for the completion of the scheme, excluding costs incurred in these Financial Statements, and committed as note 24 above, are:-

| | £000 |
|--|--------|
| Construction and on costs including professional fees, finance fees and RUSS administration costs, and a significant contingency sum for all risks | 10,955 |
| Interest on Triodos and BII loans | 457 |
| Existing loans from CAF and BII to be repaid at start on site | 238 |
| | 11,650 |

The resources provided by the funding agreements are:- £000

| | |
|---|--------|
| GLA Grant - additional for start on site and completion | 1,933 |
| Triodos Loan | 8,200 |
| principal | 8,200 |
| accrued interest | 400 |
| Big Issue Invest Loan | 1,200 |
| principal | 1,200 |
| accrued interest | 75 |
| | 11,808 |

Maximum loan finance to be repaid on completion 9,875

The repayment of the development loans and interest will be met from:-

| | £000 |
|--|--------|
| Triodos Long Term Loans, net of Debt Reserve Fund | 2,250 |
| Work done by residents (sweat equity) | 201 |
| Sales proceeds of fixed equity and shared ownership sales | 6,906 |
| Uncommitted balance of final GLA grant at practical completion | 712 |
| | 10,069 |

If the contingency is not fully spent then part of the GLA grant will become repayable after practical completion, based on the actual costs incurred on an open book basis.

The GLA grant for the 8 rented dwellings in Church Grove is dependent on letting by a Registered Provider at completion. This will be achieved either by the registration of RUSS or by transfer to a Registered Provider at completion. A transfer would remove the need for RUSS to take up that element of the agreed long term loan which relates to the rented dwellings.