

RURAL URBAN SYNTHESIS SOCIETY



TRUSTEES REPORT - 2022

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1.0 Key Facts

Registered society number	30624R
Registered office	12 Church Grove London SE13 7UU
Operational Address	12 Church Grove London SE13 7UU
Other names	The Rural Urban Synthesis Society Ltd is referred to as RUSS throughout this report.
Key management personnel:	The Trustees as a body. Eleanor Margolies Interim Managing Director
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

Trustees

The following Trustees (directors of the Society) served during the year and up to the date of this report:

<u>Name</u>	<u>Joining Date</u>	<u>Stepped down</u>
Bernadette Marjoram – Chair	26 th June 2021	25 th June 2022
Anurag Verma – Chair	Co-opted 04 th August 2022	Current Trustee
Benny Lee -- Secretary	27 th June 2021	25 th June 2022
Phil Morris -- Secretary	25 th June 2022	Current Trustee
Phil Morris - Treasurer	27 th June 2020	Current Trustee
Eleanor Margolies	27 th June 2020	Current Trustee
Samanthi Theminimulle	26 th June 2021	25 th June 2022
Ben Beck	26 th June 2021	25 th June 2022
Catherine Harrington	26 th June 2021	25 th June 2022
Katie Weatherall	26 th June 2021	Current Trustee
Carina Morris	26 th June 2021	25 th June 2022
Lewis Haines	26 th June 2021	25 th June 2022
Becca Antink	26 th June 2021	25 th June 2022
Mike Freed	Co-opted 24 th Feb 2021	25 th June 2022
Tessa Barraclough	25 th June 2022	Current Trustee
Ahmad Dayes	25 th June 2022	18 th May 2023
Daniel Hugill	25 th June 2022	Current Trustee
Ruby Kvalheim	25 th June 2022	9 th June 2023
Evan Placey	25 th June 2022	Current Trustee
Danny Ryan	25 th June 2022	Current Trustee
Sydney Thornbury	25 th June 2022	Current Trustee

2.0 Report and Financial Statements

The Trustees present their report and the audited financial statements for the year ended 31 December 2022. Reference and administrative information set out on pages 3 and 4 form 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, and other leisure activities in the interest of social welfare and improving quality of life.
- To promote other community-led housing initiatives by providing advice and assistance on 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 2022 Review

4.1 Demonstrating the model – The Church Grove Project

The Church Grove project

The Church Grove project is a unique and innovative model for delivering affordable and sustainable homes. The pilot project for RUSS and will deliver a total of 36 high-quality homes in Lewisham for individuals, couples, and families on low incomes. Future residents of Church Grove have been heavily involved in every step of the process, from the design to the future management of the scheme. To help build a lasting community, the project includes communal food-growing and gardening spaces, a shared laundry, a publicly accessible playground and a community Hub. Importantly, the project aims to provide a self-build option which is accessible for those with no previous trade experience, giving residents the opportunity to further reduce the cost of their properties while learning a life-long skill.

The construction at Church Grove site continued throughout 2022.

Since September 2021, construction on Church Grove has been moving on, though slightly behind schedule, and the contractor, Roof , is now indicating completion by the middle of August 2023.

The self build group, comprising residents for five flats, was trained during 2022 and took possession of the flats in January 2023, aiming to complete by July 2023.

Though the building contract entered into with Roof is a design and build contract, with prices agreed at commencement, there are a number of elements which started as provisional sums and building costs have increased significantly. Some changes to the design have had to be made during the development and these changes have resulted in increased costs which have exceeded the client contingency which was agreed with the GLA and funding banks. It is likely that the contractor will apply for an extension of time.

In anticipation RUSS will approach the GLA in January 2023 to agree an increase in grant funding, to levels commensurate with other schemes being developed under these conditions. Residents have been advised that a 2.5% increase in sales prices might be required for the twenty-eight flats for sale on fixed equity and shared ownership bases.

Negotiations with CDS, a registered provider, are proceeding for the eight rented dwellings. These were delayed by the need to determine the rents for the two shared dwellings, originally referred to

as London Living Rent dwellings. As the London Living Rent scheme does not include shared housing an alternative nomenclature is being agreed for these intermediate dwellings. The sales price is expected to be agreed with CDS early in June, with RUSS responsible for completing the dwellings, with the sale expected to complete in September.

Triodos Bank have advised that the bank is unable to provide long term finance for the shared ownership dwellings, in the absence of rented security, RUSS has applied to Ecology Building Society for that long term finance, and the application is being processed. The amount which can be borrowed will depend on the interest rate required, and interest rates generally are still rising.

RUSS is confident that the overall funding of the scheme is guaranteed though the individual elements are still to be finalised. The 1.5% retention will not be paid until the end of the defect liability period, a year after completion.

We would once again like to thank everyone who has supported us along this journey.

4.2 Building an effective organisation

New Structure

As Church Grove has progressed, RUSS has had to constantly adjust as an organisation in order to effectively meet the changing demands and objectives. During 2021, as the project moved from the design phase to construction a new structure was put in place to allow us to manage our external contractors, respond to on-site developments and prepare for the future management of the scheme. This new structure includes 3 working groups under the Church Grove Project Board, as shown in the 'Organisational Structure' section of this report and. A large number of committed volunteers sit on and assist each of these working groups, as well as the Project Board itself. The time and effort that our many volunteers put in is a testament to the community-led principles that RUSS is founded upon.

Employees and consultants

Dinah Roake stepped down as 'Client Representative' in April 2022 and was replaced by **Victoria Panting** as 'Project Manager' to ensure that we maintain proper oversight of the Church Grove construction and RUSS is able to respond quickly to any queries or issues raised by our contractors. Dinah continues to work on Church Grove as a volunteer.

To provide support for the Trustees going into management of Church Grove **Monwara Ryatt** was appointed as 'Managing Director' in June 2022. However this appointment did not work out and Monwara resigned in October 2022. **Eleanor Margolies** accepted the position of 'Interim Managing Director', working one day a week, from November 2022, stepping down as chair of the Project Board.

Jennie Graham took over administration work on Church Grove, with some work for RUSS, and has worked on allocations with Trustees. **Judith Witting** took on the operation of the Quickbooks ledger in January 2023, bringing RUSS up to date ready for the audit and providing the bookkeeping for the self-build works. **Sarah Boyd**, assisted by **Harry Bridgeman**, are RUSS's 'Self Build Managers' and will take the self builders through to completion, and organise further works outside the building contract to comply with planning requirements and complete the guest room, laundry and office.

In January 2023 RUSS appointed **Amalia Syeda-Aguirre** as 'Volunteer Manager', funded by the Co-operative Foundation, and is organising residents and other volunteers in support of Church Grove and RUSS.

All these appointments are on a self-employed basis, with the individuals organising their own time, and RUSS does not currently run a payroll.

The new Trustees

Finally, RUSS has sought to bring in new skills on the Board of Trustees, with a focus on the next stage of Church Grove. Seven new Trustees were elected to the Board in 2022, and Anurag Verma returned to the Board to serve as Chair. The other Trustees that joined the Board are Tessa Barraclough, Ahmad Dayes, Daniel Hugill, Ruby Kvalheim, Evan Placey, Danny Ryan and Sydney Thornbury. A short note of the skills and experience that each of these new Trustees bring is included below:

Tessa has spent over a decade in sustainable housing, including as a Sustainability Manager at Peabody and a Pre-Construction Manager at One Housing. She is currently Head of Design and Technical at One Housing, where her work includes the development of an Electric Vehicle policy and Road to Net Zero Carbon Strategy. Tessa is Chair of the London Environment Group of Registered Providers and is part of the National Housing Federation Advisory Environment Group. She is a Visiting Lecturer in Architectural Technology at the University of Westminster.

Ahmad has seen how RUSS has grown from the start, having worked with Kareem Dayes during the formation of the organisation and being one of the first members. He has a firm grasp of why RUSS is set up in the way it has been. Being a born and bred south Londoner of the generation that has suffered from the housing crisis, he understands the need for a change in the way we manage housing. He was fortunate to grow up (from the age of 5) on the self-build scheme at Walters Way, and although no longer a resident it continues to serve those in need. He has witnessed and continues to see how the project changed the lives of those lucky enough to build and live there. Community is and has always been at the heart, and has shaped the way he thinks. Having grown up in Lewisham he is deeply invested in its success.

As one of the lucky residents to be self-building on the Church Grove scheme he will have first-hand insight into how the build progresses. He thinks it is important that the residents have representation on the board, someone who can report on the process and provide feedback as to how residents are working to the given requirements and the contractors.

Daniel works as a secondary school teacher in East London. He has previously served as Chair of a national teacher subject association working to support the subject community and lobbying stakeholders to support improvement. Daniel is a very keen gardener and tends an allotment in Lewisham. He is a future resident of Church Grove with his partner Evan and their son.

Ruby is a life-long South East Londoner living in Lewisham, who has been managing events, operations and community engagement for various charities and non-profits since 2009, including Citizens UK, Unicef UK, Impact Hub and ICAHD. She now leads on Marketing & Events at Julie's Bicycle - the climate and environmental charity supporting the cultural sector - driving the sponsorship and partnership programs, public advocacy and producing major events and digital projects. She has a Postgraduate Diploma in Sustainability and Adaptation Planning from the Centre for Alternative Technology, and has previously set up Environmental Management Systems based on ISO14001. She is passionate about social justice and tackling the climate crisis (and how these intersect), and is a mentor with Catalyse Change for women starting their sustainability careers.

Evan is a future resident of Church Grove, and has been a Lewisham resident for many years. He is a playwright and screenwriter, primarily focussing in work which has a community or youth

emphasis. He is also Chair of Fostering Panel for LB of Bromley, and Vice Chair for Adopt London North, in addition to being an Independent Panel Member for Coram's Adoption Panel.

Danny is a consultant working for Chaucer Consulting, focusing on housing associations and property management. Danny's work with clients in this industry focuses on solving complex business and technological problems, allowing for efficient operational management. Prior to being a consultant, Danny spent many years working in startups in the United States covering several sectors including higher education, digital marketing, and fintech. Originally from update New York, Danny now calls London home.

Sydney is an experienced arts and social enterprise executive. She has an extensive background in organisational transformation, fundraising and leadership within the third sector. She is currently CEO and Artistic Director of the Art House in Wakefield, the largest collection of artists, cultural organisations and creative enterprises in Wakefield which won the Calouste Gulbenkian Foundation's Civic Arts Award in 2022. Prior to that, she was Project Director of The Mansion at Beckenham Park Place, working to transform a derelict 18th century Grade II* mansion house in 220 acres of parkland into an arts and cultural centre. Sydney has been accepted as a future resident.

4.3 Raising awareness of Community-Led Housing

RUSS continues to work towards raising awareness of the CLH sector and is regularly invited to speak at a range of community, housing, and self-build events. The RUSS School of Community-Led Housing has returned to in person workshops and lectures in 2022. The school anticipates delivering 3 tranches of its programme for community led housing in the year 2022 and 2023. Each tranche will consist of a series of Modules aligned to the CLH project stages and mirror the progress of the Church Grove project. The school kicked off its first round of events in March 2022 with modules 01 and 02 and followed by Module 03 in April 2022.. A programme 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. We are, as always thankful to CLH London and CDS Co-operatives for providing ongoing support.

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, and the School of Community Led Housing.

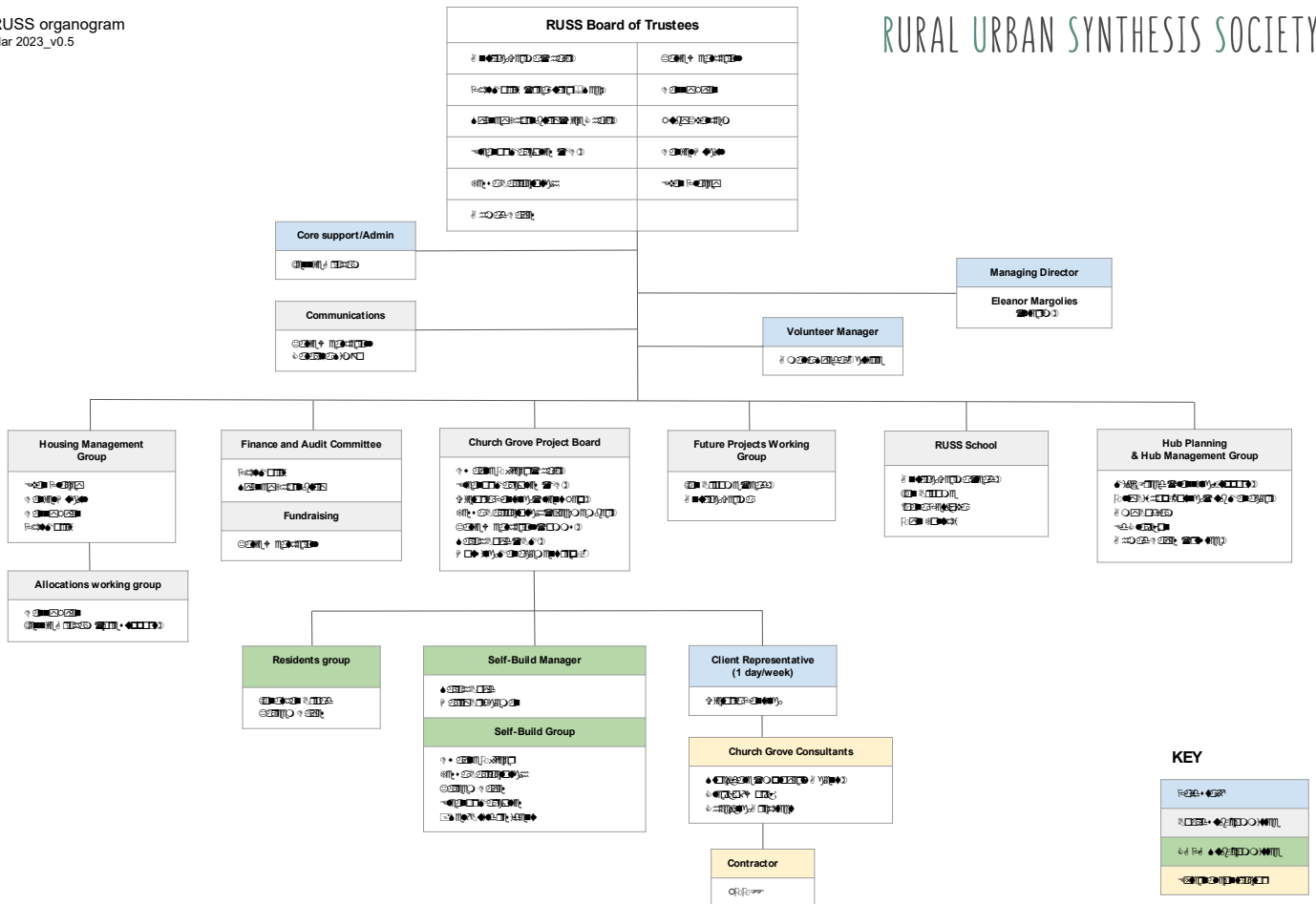
Volunteers are central to the organisation's work and play a leading role in a range of projects and ongoing tasks, including communications, fundraising and events.

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

RUSS organogram
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6.0 Financial review

Total income recognised in the period amounted to £16,695 (2021: £1,038,697). Income was made up of a grant for charitable activities from Community Led Housing London, donations, and some income from the School's training workshops.

Expenditure for the year in the Statement of Financial Activities amounted to a negative £46,032 after changing the depreciation charges for the Community Hub (2021: £69,264). With limited funding from grants brought forward, in the year, the main expenditures on Church Grove were funded from loan drawdowns from Triodos Bank and Big Issue Invest.

Loans drawn down in the year totalled £4,012,105 (2021: £nil) from Triodos Bank and £917,063 (2021: £nil) from Big Issue Invest.

Costs of £5,785,247 (2021: £1,041,126) were transferred to stock, £1,573,587 (2021: £558,358) then transferred to fixed assets and £nil (2021: £nil) was directly capitalised as fixed assets. £nil (2021: £219,232) was prepaid in respect of securing loan finance for the Church Grove development. The remaining negative £46,032 (2021: £69,264) was reflected in the Statement of Financial Activities. All the expenditure was on charitable activities.

7.0 Plans for the future

RUSS is reviewing its business plan and will execute this in 2023, which will take the organisation through to the end of 2024. The new business plan continues to focus on the following three key strategic objectives:

- **Strategic objective 1:** To build a sustainable membership organisation, ensuring RUSS is well resourced, well governed, and well run.
- **Strategic objective 2:** To raise awareness of the value of community-led housing, and exchange knowledge to enable other communities, especially those that are members of RUSS, to build similar projects.
- **Strategic objective 3:** To deliver the Church Grove project and, learning from that experience, explore new opportunities.

The key tasks have been identified for furthering these strategic objectives in 2023 are summarised below:

Strategic Objective 1

As part of ensuring RUSS is well governed, we plan to carry out an independent governance review. We will also aim to recruit a number of new staff members, including:

- A Managing Director
- A Volunteer Manager - for which we have received a grant from the Co-op Foundation
- A Client Representative - to replace Dinah Roake, who is stepping down in April 2022.

Finally, RUSS will bring in new, additional trustees with experience in housing management to help prepare for the completion of Church Grove.

Strategic Objective 2

Following the easing of Covid-19 restrictions, the school resumed its workshops and lectures in

spring 2022. The school will deliver three tranches of its programme for community-led housing over the next two year. Each tranche will consist of a series of modules aligned to the CLH project stages and mirror the progress of the Church Grove project. The workshops, training sessions and related events will take place in the community hub located at Church Grove.

Strategic Objective 3

In January 2022 the Trustees decided not to pursue an application to become a Registered Provider (RP) ahead of Church Grove completion. We subsequently agreed to partner with CDS as an existing RP and arrange a 60-year lease to let the 8 dwellings of low-cost and intermediate rent. This decision will help to ensure Church Grove is delivered in line with the funding requirements from the GLA and Triodos Bank.

In the same month, RUSS also submitted a bid for 2 new development sites, located in Greenwich. However this bid was not successful.

RUSS will actively pursue opportunities to secure new sites and develop partnerships with potential stakeholders to deliver much needed affordable housing for its community.

8.0 Reserves policy

At the end of the financial year, RUSS's unrestricted funds amounted to £2,218,832 (2021: £2,060,343). The funding received to build Church Grove, as stock and fixed assets, and the Community Hub, as a fixed asset, are included. The Trustees have designated £2,127,204 (2021: £2,033,148) to the Church Grove Project and £78,846 (2021: £14,779) to the Community Hub, leaving the free reserves balance at £11,268 (2021: £12,416). The increase in the Community Hub reserve follows the granting of a permanent planning consent in March 2023, and the increase in the life of the Hub for the purposes of depreciation.

Share capital of £14,234 (2021: £13,938) 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 with limited 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.

With the completion of Church Grove due in August RUSS will generate rental income from shared owners which will cover the loan costs, interest and principle, and around £10,000 per annum of essential core costs. Additional income may be generated from charges for the Community Hub, guest room, laundry and the hot water supply at Church Grove. Any projects will need to be funded from grants in the first instance.

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. As part of the new business plan that has been set for 2023-24, RUSS has also set up a Risk Register to identify and monitor both organisational and project risks. We have also established a formal Risk Management Framework, which will involve reviewing risks that the organisation faces on a regular basis

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 9th June 2023 and signed on their behalf by

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 2022 which comprise the revenue account, the balance sheet, the statement of changes in equity, the cashflow statement 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 2022 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

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 19, 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 society 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 society 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 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

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
Statutory Auditor
Holyoake House
Hanover Street
Manchester
M60 0AS

Date

Rural Urban Synthesis Society Limited
Statement of Financial Activities
for the year ended 31 December 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income from:							
Donations and legacies	3	567	14,500	15,067	265	18,250	18,515
Charitable activities	4	-	-	-	1,000	1,018,307	1,019,307
Other trading activities	5	1,628	-	1,628	875	-	875
Total income		2,195	14,500	16,695	2,140	1,036,557	1,038,697
Expenditure on:							
Charitable activities	6	(59,362)	13,330	(46,032)	48,177	21,087	69,264
Total expenditure		(59,362)	13,330	(46,032)	48,177	21,087	69,264
Net income/(expenditure) for the year	8	61,557	1,170	62,727	(46,037)	1,015,470	969,433
Transfer between funds	20	95,418	(95,418)	-	1,081,499	(1,081,499)	-
Net movement in funds for the year		156,975	(94,248)	62,727	1,035,462	(66,029)	969,433
Reconciliation of funds							
Total funds brought forward		2,060,343	143,404	2,203,747	1,024,881	209,433	1,234,314
Total funds carried forward		2,217,318	49,156	2,266,474	2,060,343	143,404	2,203,747

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 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,214,045		574,057
Total fixed assets			2,214,045		574,057
Current assets					
Stock	14	5,706,086		1,494,426	
Debtors	15	39,135		359,575	
Cash at bank and in hand		216,571		752,292	
Total current assets		5,961,792		2,606,293	
Creditors: amounts falling due in less than one year	16	(1,978,574)		(907,902)	
Net current assets			3,983,218		1,698,391
Total assets less current liabilities			6,197,263		2,272,448
Creditors: amounts falling due after more than one year	17		(3,916,555)		(54,763)
Net assets			2,280,708		2,217,685
Funds of the charity:					
Share capital	18		14,234		13,938
Unrestricted income funds	21		2,217,318		2,060,343
			2,231,552		2,074,281
Restricted income funds	19		49,156		143,404
Total charity funds			2,280,708		2,217,685

The notes on pages 28 to 44 form part of these accounts.

Approved by the trustees on

and signed on their behalf by:

Anurag Verma (Trustee)

Sydney Thornbury (Trustee)

Phil Morris (Secretary)

Rural Urban Synthesis Society Limited

Statement of changes in Equity
for the year ended 31 December 2022

	Unrestricted funds		Restricted Funds	Total
	Share capital	Unrestricted revenue funds		
	£	£	£	£
At end date 31 December 2020 and start date 1 January 2021	13,313	1,024,881	209,433	1,247,627
Surplus/(deficit) for the year	-	1,035,462	(66,029)	969,433
Share capital issued	625	-	-	625
<hr/>				
At end date 31 December 2021 and start dated 1 January 2022	13,938	2,060,343	143,404	2,217,685
Surplus/(deficit) for the year		156,975	(94,248)	62,727
Share capital issued	296	-	-	296
<hr/>				
At end date 31 December 2022	14,234	2,217,318	49,156	2,280,708
<hr/> <hr/>				

Rural Urban Synthesis Society Limited

Cash Flow Statement
as at 31 December 2022

	2022 £	2021 £
Net movement in funds for the year	62,727	969,433
Decrease/(increase) in debtors	53,458	(296,527)
Increase in creditors excluding loans	109,639	862,119
Depreciation	(69,093)	37,679
Loan set up costs written off	158,459	-
Net cash generated	<u>315,190</u>	<u>1,572,704</u>
Investment activities		
Investment in fixed assets	1,570,895	558,358
Investment in stock	<u>4,211,660</u>	<u>421,538</u>
	(5,782,555)	(979,896)
Financing activities		
Cash inflows from new borrowing	4,931,348	-
Cash inflows from shares issued	296	625
Cash outflows from repayment of loan:	-	(219,592)
	<u>4,931,644</u>	<u>(218,967)</u>
(Decrease)/increase in cash during the year	<u>(535,721)</u>	<u>373,841</u>
Cash at the beginning of the year	752,292	378,451
Cash at the end of the year	<u><u>216,571</u></u>	<u><u>752,292</u></u>

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022

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.

Loan approvals have been agreed by Triodos Bank and Big Issue Invest for the loans required and the scheme started on site on 25 October 2021. The original agreement with Triodos Bank included the long term finance for the rented and shared ownership interests retained by RUSS.

Triodos Bank advised that, after RUSS decided not to seek registration as a registered provider, and to sell the rented dwellings to CDS, that it was not their policy to lend solely on the security of the retained equity on shared ownership leases, and asked RUSS to find an alternative long term lender.

Ecology Building Society have agreed to provide the long term lending for RUSS to complete the scheme. The full details are still being worked out and the security is being valued by Savills. The amount to be lent depends on the final interest rate applied, but RUSS has a contingency plan to borrow money on an index linked basis if there is a shortfall.

Advised by the Employer's Agent that the contract sum could reach £10 million, with interest costs rising significantly as interest rates have risen and the contract completion been delayed, RUSS approached the GLA for up to £475,000 additional grant. The GLA response was "broadly positive" but RUSS and the GLA needed to sort out the rent details for the intermediate rented housing in two shared flats.

RUSS has advised the shared ownership and fixed equity purchasers that the sales prices may need to increase by 2.5%, as a maximum. Some progress has now been made on the contractor's final account but this depends on the actual date of practical completion and additional interest and other costs. Those, at the margin, should be largely met by liquidated and ascertained damages if the contract completion is further delayed.

RUSS is therefore confident that there is funding to meet all the costs to be incurred, and the development loans advanced by Triodos Bank and BII will be repaid in full.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

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 to complete the project, and consider that no abortive costs were incurred in 2022 (2021: £nil).

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, except for the split of Church Grove costs between stock and fixed assets, which is based on forecast sales values for shared ownership dwellings.

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.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

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.

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.

RUSS Board has decided not to pursue registration as a Registered Provider, in the immediate future, meaning that there will be a transfer to a Registered Provider of the 8 rented dwellings at Practical Completion of Church Grove. This means that all VAT incurred is recoverable, and the financial statements have been adjusted accordingly, for Church Grove in 2021 and for the Hub in 2022, with the grant of permanent planning approval.

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. Following the redesign of the Church Grove scheme, and removal of the community facility, a planning application was submitted for permanent use of the Hub. This approval was granted by the planning committee on 16 March 2023. The life of the building is now 30 years, and the depreciation calculations have been adjusted accordingly as at 31 December 2022.

The value of RUSS's interest in shared ownership properties will be capitalised and included in tangible fixed assets at start on site, achieved in October 2021. The RUSS trustees decided not to pursue registration as a registered provider, in January 2022, and the rented dwellings will therefore be sold to a registered provider prior to practical completion.

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.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

k Stock (continued)

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.

The value of RUSS' interest in shared ownership properties is capitalised and included in tangible fixed assets. The value of shared equity/ownership properties and rented 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.

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, recognised as charitable by HM Revenue and Customs.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Donations	567	-	567	265	-	265
Grant - Community Led Housing London	-	14,500	14,500	-	8,250	8,250
Grant - Co-operative Foundation	-	-	-	-	10,000	10,000
Total	567	14,500	15,067	265	18,250	18,515

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Grants						
Greater London Authority	-	-	-	-	1,018,307	1,018,307
Arnold Clark	-	-	-	1,000	-	1,000
Total	-	-	-	1,000	1,018,307	1,019,307

5 Income from other trading activities

	Unrestricted £	Restricted £	2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2021</i> £
Fee income	1,628	-	1,628	875	-	875
Total	1,628	-	1,628	875	-	875

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

6 Analysis of expenditure on charitable activities

	2022	2021
	£	£
Church Grove Project		
Acoustics consultancy	-	2,100
Salaries - client costs	8,000	25,500
Cost managers and employer's agent	58,862	35,381
Architects	9,080	71,333
Clerk of works	8,800	-
Loan commitment fee	-	112,000
Loan set up costs written off	158,459	-
Financial advice	-	10,838
Fire engineer	-	5,500
Landscape architects	-	3,715
Legal fees	15,415	121,590
Legal fees - loan providers	-	82,940
Mechanical and electrical engineers	8,000	14,166
Main contractor - construction	5,347,028	705,801
Party wall surveyors	-	3,639
Photography	3,517	2,000
Project manager fees	38,143	1,050
Self build manager costs	10,854	-
Statutory fees	1,177	20,593
Statutory fees - section 106	-	17,864
Structural engineering	-	8,623
Surveys and temporary works	-	1,254
Transport planners	-	200
Planning consultants	1,750	14,350
Valuation services	-	10,000
Loan interest	116,809	2,417
Greenwich schemes		
Architects fees	3,480	-
Consultancy and costs	4,119	-
Other charitable activities		
RUSS School	1,165	1,188
Support costs		
Salaries	-	6,600
Recruitment	975	180
Office administration	5,669	2,287
Accountancy	743	712
Insurance	1,254	1,041
Subscriptions	400	600
Other costs	701	481
Loan interest	2,179	2,500
Depreciation	(69,093)	37,679
Governance costs (see note 8)	4,000	3,500
	5,741,486	1,329,622
Transfer to stock (see note 14)	(5,785,247)	(1,041,126)
Transfer to prepayments (see note 15)	-	(219,232)
Transfer to fixed assets (see note 13)	(2,271)	-
	(46,032)	69,264

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

6 Analysis of expenditure on charitable activities (continued)

	2022 £	2021 £
Restricted expenditure	108,748	890,881
Loan interest capitalised as stock	116,809	2,417
Unrestricted expenditure	5,515,929	45,760
	<hr/>	<hr/>
	5,741,486	939,058
Transfers to stock, prepayments and fixed assets		
Restricted	(95,418)	(867,377)
Loan interest capitalised as stock	(116,809)	(2,417)
Unrestricted	(5,575,291)	-
	<hr/>	<hr/>
	(46,032)	69,264
	<hr/> <hr/>	<hr/> <hr/>
Expenditure net of transfers to stock:		
Restricted	13,330	21,087
Unrestricted	(59,362)	48,177
	<hr/>	<hr/>
	(46,032)	69,264
	<hr/> <hr/>	<hr/> <hr/>

7 Analysis of governance costs

	2022 £	2021 £
Auditor's remuneration	4,000	3,500
	<hr/>	<hr/>
	4,000	3,500
	<hr/> <hr/>	<hr/> <hr/>

8 Net income for the year

This is stated after charging:	2022 £	2021 £
Depreciation (note 13)	(69,093)	37,679
Auditor's remuneration - audit fees	4,000	3,500
Accountancy fees	743	712
	<hr/> <hr/>	<hr/> <hr/>

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

9 Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	8,000	32,100
Social security costs	-	-
Pension costs	-	-
	8,000	32,100
	8,000	32,100
Allocated as follows:		
Support costs	-	6,600
Church Grove project management	8,000	25,500
	8,000	32,100
	8,000	32,100

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. The days employed were reduced to 2 days per week in September 2021, 1 day per week in November 2021 and ended in April 2022.

The average number of staff employed during the period was 0.3 (2021: 2).

No employee received remuneration in excess of £60,000 (2021: 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 £8,000 (2021: £32,100). The remuneration of Eleanor Margolies, acting as Managing Director, is set out in note 10 below.

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 except for £3,080 paid to Eleanor Margolies at £280 for one day per week acting as interim Managing Director (2021: Nil).

No trustees received travel and subsistence expenses during the year (2021: £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 except that Eleanor Margolies and Ahmad Dayes contracted to complete the construction of the flats they are purchasing at Church Grove (2021: nil). Those purchases are on the same terms as the other 3 residents completing their own flats.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

11 Government grants

The government grants recognised in the accounts were as follows:

	2022 £	2021 £
Greater London Authority	-	1,018,307
	<u>-</u>	<u>1,018,307</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.

13 Fixed assets: tangible assets

Cost	Assets under construction -		
	Long lease £	The Hub £	Total £
At 1 January 2022	558,359	94,196	652,555
Additions (see note 14)	1,573,587	2,271	1,575,858
Irrecoverable VAT	-	(4,963)	(4,963)
	<u>2,131,946</u>	<u>91,504</u>	<u>2,223,450</u>
At 31 December	2,131,946	91,504	2,223,450
Depreciation			
At 1 January 2022	-	78,498	78,498
Charge for the year	-	(69,093)	(69,093)
	<u>-</u>	<u>9,405</u>	<u>9,405</u>
At 31 December	-	9,405	9,405
Net book value			
At 31 December 2022	<u>2,131,946</u>	<u>82,099</u>	<u>2,214,045</u>
<i>At 31 December 2021</i>	<u>558,359</u>	<u>15,698</u>	<u>574,057</u>

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.

On 16 March 2023 the Lewisham Planning Committee granted a permanent approval for the Hub, the life was increased from 30 months to 30 years, and the depreciation adjusted accordingly. The adjustment has been made in 2022.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

14 Stock

	2022 £	2021 £
Balance brought forward as originally stated	1,494,426	1,072,888
Additions in the year (see note 6)	5,785,247	1,041,126
Irrecoverable VAT	-	(61,230)
Transfer to fixed assets re shared ownership	(1,573,587)	(558,358)
	5,706,086	1,494,426
Cost at the end of the year	5,706,086	1,494,426

15 Debtors

	2022 £	2021 £
Value Added Tax (see Note 1 (h))	8,456	83,991
Trade debtors	15,721	-
Community Led Housing - London	14,500	8,250
Prepayments and accrued income		
Loan payments - Triodos Loan	-	238,875
- BII loan	-	28,107
Other	458	352
	39,135	359,575
	39,135	359,575

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	649,243	708,125
Accruals	368,298	199,777
Loans falling due in less than one year		
Co-operative Foundation	56,943	-
Big Issue Invest	917,063	-
Loan set up costs for Big Issue Invest	(12,973)	-
	1,978,574	907,902
	1,978,574	907,902

The movements on The Big Issue Invest loan were:-

Paid to the building contractor	832,666
Paid to consultants	67,334
Interest charged	17,063
	917,063
	917,063

The Co-operative Foundation loan is unsecured and is repayable in June 2023.

The Big Issue Invest loan is secured by a second charge on Church Grove and is repayable in September 2023.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

17 Creditors: amounts falling after more than one year

	2022 £	2021 £
Other loans (see note 23)		
Co-operative Foundation	-	54,763
Triodos Bank	4,012,105	-
Loan set up costs for Triodos Bank	(95,550)	-
	3,916,555	54,763
	3,916,555	54,763

The movements on the Triodos Bank loan were:-

Paid to the building contractor	3,912,159
Fees for CHAPS payments	200
Interest charged	99,746
	4,012,105
	4,012,105

The loan is secured by a first charge on Church Grove and is repayable in January 2024.

18 Share capital

	2022 £	2021 £
Shares brought forward	13,938	13,313
Issued	296	625
Repaid	-	-
	14,234	13,938
	14,234	13,938

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 2022 (continued)

19 Analysis of movements in restricted funds

Year ended 31 December 2022

	As at 1 January 2022 £	Income £	Revenue expenditure £	Transfers: expenditure on stock and prepayments £	Balance at 31 December 2022 £
Church Grove					
Greater London Authority - Community Housing Fund	116,413	-	(4,000)	(95,418)	16,995
Other					
Co-operative Foundation	8,741	-	(1,731)	-	7,010
Co-operative Foundation - volunteer co-ordinator	10,000	-	-	-	10,000
Community Led Housing - London - Greenwich sites	8,250	-	(7,599)	-	651
Community Led Housing - London - management	-	14,500	-	-	14,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	143,404	14,500	(13,330)	(95,418)	49,156
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

Year ended 31 December 2021

	As at 1 January 2021 £	Income £	Revenue expenditure £	Transfers: expenditure on stock and prepayments £	Transfers: spend on fixed assets £	Transfers to general funds	Balance at 31 December 2021 £
Church Grove							
Greater London Authority - Innovation Fund	117,938	-	-	(123,824)	5,886	-	-
Greater London Authority - Community Housing Fund	58,308	1,018,307	(16,338)	(674,839)	2,910	(271,935)	116,413
London Borough of Lewisham	13,973	-	-	(13,973)	-	-	-
Groundwork/Locality Other	5,724	-	-	(7,315)	1,591	-	-
Co-operative Foundation	13,490	-	(4,749)	-	-	-	8,741
Tesco - Bags of Help	-	10,000	-	-	-	-	10,000
RUSS School - Awards for All	-	8,250	-	-	-	-	8,250
Total	209,433	1,036,557	(21,087)	(819,951)	10,387	(271,935)	143,404

**Name of
restricted fund**

Description, nature and purposes of the fund

Greater London Authority	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) have been repaid but replaced by an increased grant from the Community Housing Fund.
Groundwork/Locality	Grant to support the co-design process for the Church Grove project.
London Borough of Lewisham	Funding for community-led housing to support the Church Grove project
Co-operative Foundation	Core costs to support environmentally sustainable homes at Church Grove.
Co-operative Foundation - volunteer co-ordinator	The employment of a volunteer co-ordinator (in February 2022).
Community Led Housing - London - Greenwich	Bid costs for a new project in Greenwich.
Community Led Housing - London - management	Support for management costs in excess of funding from Church Grove.

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (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 2022

	As at 1 January 2022 £	Income £	Expenditure £	Transfer from restricted funds: spend on stock, prepayments and fixed assets £	Funded from loans £	Other transfers from restricted funds and further designation £	As at 31 December 2022 £
General fund	12,416	2,195	(3,343)	-	-		11,268
Designated fund - Church Grove	2,033,148	-	(1,362)	5,785,247	(4,929,168)	(760,661)	2,127,204
Designated fund - Community Hub	14,779	-	64,067	-	-	-	78,846
	<u>2,060,343</u>	<u>2,195</u>	<u>59,362</u>	<u>5,785,247</u>	<u>(4,929,168)</u>	<u>(760,661)</u>	<u>2,217,318</u>

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

Year ended 31 December 2021

	<i>As at 1 January 2021</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfer from restricted funds: spend on stock, prepayments and fixed assets £</i>	<i>Transfer from restricted funds: Irrecoverable VAT £</i>	<i>Other transfers from restricted funds and further designation £</i>	<i>As at 31 December 2021 £</i>
<i>General fund</i>	13,964	2,140	(13,092)	-	-	9,404	12,416
<i>Designated fund - Church Grove</i>	961,053	-	-	819,951	(10,387)	262,531	2,033,148
<i>Designated fund - Community Hub</i>	49,864	-	(35,085)	-	-	-	14,779
	<u>1,024,881</u>	<u>2,140</u>	<u>(48,177)</u>	<u>819,951</u>	<u>(10,387)</u>	<u>271,935</u>	<u>2,060,343</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 fixed assets or as VAT recovered and not yet spent, or as 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 2022 (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	-	1	2,135,198	78,846	-	2,214,045
Stock	-	-	5,706,086	-	-	5,706,086
Other net current assets	14,234	68,210	(893,435)	-	49,156	(761,835)
Loans						
Co-op Foundation	-	(56,943)	-	-	-	(56,943)
Triodos Bank	-	-	(3,916,555)	-	-	(3,916,555)
Big Issue Invest	-	-	(904,090)	-	-	(904,090)
Total	14,234	11,268	2,127,204	78,846	49,156	2,280,708

Previous reporting period

	Share Capital £	General fund £	Designated fund - Church Grove £	Designated fund - Community Hub £	Restricted funds £	Total £
Tangible fixed assets	-	919	558,359	14,779	-	574,057
Stock	-	-	1,494,426	-	-	1,494,426
Other net current assets	13,938	66,260	(19,637)	-	143,404	203,965
Loans	-	(54,763)	-	-	-	(54,763)
Total	13,938	12,416	2,033,148	14,779	143,404	2,217,685

Rural Urban Synthesis Society Limited

Notes to the accounts for the year ended 31 December 2022 (continued)

23 Financial instruments

Financial instruments measured at amortised cost comprise the loan financing provided by Triodos Bank, Big Issue Invest and The Co-operative Foundation to the charity. The Triodos loan, not actually drawn until January 2022, is secured by a charge on Church Grove and the charity's assets. The Big Issue Invest loan is secured by a second charge on Church Grove and the company's assets.

	2022 £	2021 £
Loans payable falling due in more than one year but in less than five years:		
Triodos Bank	4,012,105	-
The Co-operative Foundation	-	54,763
Loans payable falling due in less than one year:		
The Co-operative Foundation	56,943	-
Big Issue Invest	917,063	-
	<hr/>	<hr/>
	4,986,111	54,763
	<hr/> <hr/>	<hr/> <hr/>

The loan financing from The Co-operative Foundation is unsecured with a fixed interest rate.

24 Capital commitments

At 31 December 2022 the trustees had authorised expenditure of £3,964,282 on Church Grove (2021: £9,177,583). This excludes interest on loans. The expenditure committed at 31 December 2022 is being funded from balances of grants and loans agreed, with long term finance from sales prices and loans under negotiation.