

**Registered number: 02987890**

**Leathermarket Joint Management Board**  
**(A company limited by guarantee)**

**Directors' report and financial statements**  
**for the year ended 31 March 2014**

**Leathermarket Joint Management Board**  
**(A company limited by guarantee)**

**Company Information**

**Directors**

John Lynch  
Diane Rutter  
Christine Parsons  
Sarah Hatchard  
John Paul Maytum  
Jackie Scorer  
George Ronald Grime  
Jean Ellen Davies (appointed 17 July 2013)  
Andrew Charnock (resigned 25 November 2013)  
Cormac Hollingsworth  
Nigel David Koch (appointed 23 October 2013)  
Peter Coulthard (appointed 23 October 2013)  
Paul Charles Munday (appointed 20 January 2014)  
Afolahan Ogunkola  
Ali Gurer (resigned 23 October 2013)  
John Buchanan Reed (resigned 17 July 2013)

**Company secretary**

Andrew Bates

**Registered number**

02987890

**Registered office**

26 Leathermarket Street  
Bermondsey  
London SE1 3HN

**Independent auditors**

Reeves & Co LLP  
Statutory Auditor & Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

**Leathermarket Joint Management Board**  
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**Leathermarket Joint Management Board**  
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**Independent auditors' report to the members of Leathermarket Joint Management Board**

We have audited the financial statements of Leathermarket Joint Management Board for the year ended 31 March 2014, set out on pages 3 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Leathermarket Joint Management Board**  
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**Independent auditors' report to the members of Leathermarket Joint Management Board**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Peter Hudson FCA  
(Senior statutory auditor)  
for and on behalf of  
**Reeves & Co LLP**  
Statutory Auditor  
Chartered Accountants  
London  
Date:

**Leathermarket Joint Management Board**  
**(A company limited by guarantee)**

**Income and expenditure account**  
**for the year ended 31 March 2014**

	Note	2014 £	As restated 2013 £
<b>Income</b>	1	<b>6,855,042</b>	2,419,005
Direct Costs		<b>(5,751,156)</b>	(1,477,600)
		<hr/>	<hr/>
<b>Gross surplus</b>		<b>1,103,886</b>	941,405
Administrative expenses		<b>(751,285)</b>	(811,181)
		<hr/>	<hr/>
<b>Operating surplus</b>	2	<b>352,601</b>	130,224
Interest receivable and similar income		<b>6,423</b>	4,623
		<hr/>	<hr/>
<b>Surplus on ordinary activities before taxation</b>		<b>359,024</b>	134,847
Tax on surplus on ordinary activities	3	<b>(1,285)</b>	(925)
		<hr/>	<hr/>
<b>Surplus for the financial year</b>	8	<b>357,739</b>	133,922
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 5 to 9 form part of these financial statements.

**Leathermarket Joint Management Board**  
**(A company limited by guarantee)**  
**Registered number: 02987890**

**Balance sheet**  
**as at 31 March 2014**

	<b>Note</b>	<b>£</b>	<b>2014</b> <b>£</b>	<b>£</b>	<b>2013</b> <b>£</b>
<b>Fixed assets</b>					
Tangible assets	4		<b>10,412</b>		17,015
<b>Current assets</b>					
Debtors	5	<b>1,097,484</b>		91,081	
Cash at bank and in hand		<b>1,971,093</b>		2,266,037	
			<u><b>3,068,577</b></u>	<u>2,357,118</u>	
<b>Creditors:</b> amounts falling due within one year	6	<b>(1,415,585)</b>		(1,068,468)	
<b>Net current assets</b>			<u><b>1,652,992</b></u>		<u>1,288,650</u>
<b>Net assets</b>			<u><b>1,663,404</b></u>		<u>1,305,665</u>
<b>Capital and reserves</b>					
Reserve fund	8		<b>556,132</b>		525,000
Income and expenditure account	8		<b>1,107,272</b>		780,665
			<u><b>1,663,404</b></u>		<u>1,305,665</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

**John Paul Maytum**  
 Director

The notes on pages 5 to 9 form part of these financial statements.

**Leathermarket Joint Management Board**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.2 Cash flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.3 Income**

The nature of the company's agreement with the London Borough of Southwark changed as at 1 April 2013 and this required some amendments to the company's income streams.

In previous years the company has been entitled to retain any rents collected in excess of the target collection rate and this net rent receivable has been recognised as income.

In addition allowance income was received from the London Borough of Southwark in relation to the management and maintenance of the Leathermarket Estate properties. This was recorded on an accruals basis, exclusive of Value Added Tax.

Under the terms of the new agreement the company is entitled to an allowance, exclusive of Value Added Tax equal to total rent collected. Income becomes due to the company when rent is collected and is therefore recorded on a cash basis.

Other Income

This is included in the income and expenditure account on a receivable basis for funded programmes and on an accruals basis in respect of projects not completed at the end of the financial year.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	20% straight line
Furniture, fittings and equipment	-	20 - 33% straight line

**1.5 Operating leases**

Rentals under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

**1.6 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.



**Leathermarket Joint Management Board**  
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**Notes to the financial statements**  
**for the year ended 31 March 2014**

**1. Accounting policies (continued)**

**1.7 Expense classification**

In light of changes to the company's agreement with the London Borough of Southwark, costs directly related to the collection of rent and the provision of core services are considered to be direct costs and have been classified as such in the Income and expenditure account.

Prior year comparative have been restated with the same format.

**2. Operating surplus**

The operating surplus is stated after charging:

	<b>2014</b>	2013
	<b>£</b>	£
Depreciation of tangible fixed assets:		
- owned by the company	<b>11,301</b>	55,648
Auditors' remuneration	<b>8,500</b>	8,000
Pension costs	<b>40,023</b>	36,754
	<b>=====</b>	<b>=====</b>

During the year, no director received any emoluments (2013 - £NIL).

**3. Taxation**

	<b>2014</b>	2013
	<b>£</b>	£
UK corporation tax charge on interest receivable for the year	<b>1,285</b>	925
	<b>=====</b>	<b>=====</b>

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2013 - 20%).

There were no factors that may affect future tax charges.

**Leathermarket Joint Management Board**  
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**Notes to the financial statements**  
**for the year ended 31 March 2014**

**4. Tangible fixed assets**

	Plant and machinery £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 2013	20,946	206,445	227,391
Additions	2,507	2,191	4,698
At 31 March 2014	<u>23,453</u>	<u>208,636</u>	<u>232,089</u>
<b>Depreciation</b>			
At 1 April 2013	15,839	194,537	210,376
Charge for the year	2,446	8,855	11,301
At 31 March 2014	<u>18,285</u>	<u>203,392</u>	<u>221,677</u>
<b>Net book value</b>			
At 31 March 2014	<u>5,168</u>	<u>5,244</u>	<u>10,412</u>
At 31 March 2013	<u>5,107</u>	<u>11,908</u>	<u>17,015</u>

**5. Debtors**

	2014 £	2013 £
Trade debtors	212,736	15,484
Other debtors	884,748	75,597
	<u>1,097,484</u>	<u>91,081</u>

**6. Creditors:**  
**Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	1,110,595	931,741
Corporation tax	1,285	925
Other creditors	303,705	135,802
	<u>1,415,585</u>	<u>1,068,468</u>

**Leathermarket Joint Management Board**  
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**Notes to the financial statements**  
**for the year ended 31 March 2014**

**7. Company status**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**8. Reserves**

	<b>Reserve fund £</b>	<b>Income and expenditure account £</b>
At 1 April 2013	<b>525,000</b>	<b>780,665</b>
Surplus for the financial year		<b>357,739</b>
Transfer to reserve fund		<b>(31,132)</b>
Transfer from income and expenditure account	<b>31,132</b>	
	<hr/> <b>556,132</b> <hr/>	<hr/> <b>1,107,272</b> <hr/>
At 31 March 2014		

**Leathermarket Joint Management Board**  
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**Notes to the financial statements**  
**for the year ended 31 March 2014**

**9. Pension commitments**

The company operates a defined contribution group personal pension scheme.

The pension cost charge represents contributions payable by the company to the scheme and amounted to £54,287 (2013 - £54,168). The outstanding contributions at the balance sheet date amounted to £Nil (2013 - £221).

**10. Member's funds**

Members' funds consist of the reserve fund and the income and expenditure account. Contingencies for unforeseen circumstances and the future improvements to properties on the Leathermarket Estates will be met from Members' funds.

**11. Related party transactions**

The majority of directors are tenants or leaseholders of properties managed by the company, and all transactions are in accordance with normal trading terms.

During the year, the company made purchases of £XXX (2013: £804) from City Interim Limited, which shares a common director with the company. There is no balance outstanding at the year end (2013: £nil).

During the year, the company made purchases of £XXX (2013: £1,181) from The National Federation of Tenant Management Organisations Limited, which shares a common director with the company. There was no balance outstanding at the year end (2013: £Nil).

During the year, the company made purchases of £25 (2013: £25) from Bermondsey Village Hall Trust Limited, which shares a common director with the company. There is no balance outstanding at the year end (2013: £nil).

**12. Controlling party**

The residents of the properties that the company manages are members of the company. The members have delegated control to the Directors who are deemed to be the controlling party.

**Leathermarket Joint Management Board**  
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**Detailed income and expenditure account**  
**for the year ended 31 March 2014**

	<b>Page</b>	<b>2014</b> <b>£</b>	As restated <b>2013</b> <b>£</b>
<b>Income</b>	11	<b>6,855,042</b>	2,419,005
Direct Costs	11	<b>(5,751,156)</b>	(1,477,600)
		<hr/>	<hr/>
<b>Gross surplus</b>		<b>1,103,886</b>	941,405
<b>Gross profit %</b>		<b>16.1 %</b>	38.9 %
<b>Less: Overheads</b>			
Administrative expenses	11	<b>(751,285)</b>	(811,181)
		<hr/>	<hr/>
<b>Operating surplus</b>		<b>352,601</b>	130,224
Interest receivable	12	<b>6,423</b>	4,623
		<hr/>	<hr/>
<b>Surplus for the year</b>		<b>359,024</b>	134,847
		<hr/> <hr/>	<hr/> <hr/>

**Leathermarket Joint Management Board**  
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**Schedule to the detailed accounts**  
**for the year ended 31 March 2014**

	2014 £	2013 £
<b>Income</b>		
Allowances receivable and similar income	604,596	2,268,968
Income from external contracts	45,442	69,327
Net rent receivable	6,205,004	80,710
	<u>6,855,042</u>	<u>2,419,005</u>
	<u><u>6,855,042</u></u>	<u><u>2,419,005</u></u>
		As restated
	2014 £	2013 £
<b>Direct costs</b>		
Planned and responsive repairs	1,863,562	955,854
Cleaning	306,385	328,412
Ground Maintenance	60,633	60,654
Major works	1,573,866	-
Lifts	77,135	60,275
Rent collection costs	112,965	14,415
Court and legal fees	40,694	36,086
London Borough of Southwark Costs	1,554,560	-
Estate costs	161,356	21,904
	<u>5,751,156</u>	<u>1,477,600</u>
	<u><u>5,751,156</u></u>	<u><u>1,477,600</u></u>
		As restated
	2014 £	2013 £
<b>Administrative expenses</b>		
Office Staffing costs	449,771	496,260
Staff pensions	40,023	36,754
Staff training	7,273	6,355
Directors' Training	9,106	13,742
Office costs	97,479	139,531
Telephone	(31)	-
Printing, postage and office stationery	21,243	17,240
Auditors' remuneration	8,500	8,000
Grants and projects	10,832	4,194
Accountancy fees	9,531	13,129
Bad debts	4,188	(9,850)
Events	6,879	2,814
Insurance	25,317	36,939
Business plan development	34,503	15,082
Information technology support	26,671	30,991
	<u>751,285</u>	<u>811,181</u>
	<u><u>751,285</u></u>	<u><u>811,181</u></u>

**Leathermarket Joint Management Board**  
**(A company limited by guarantee)**

**Schedule to the detailed accounts**  
**for the year ended 31 March 2014**

	<b>2014</b>	2013
	<b>£</b>	£
<b>Interest receivable</b>		
Bank interest receivable	<b>6,423</b>	4,623
	<u><u>6,423</u></u>	<u><u>4,623</u></u>