

Registered number: 02987890

Leathermarket Joint Management Board
(A company limited by guarantee)

Directors' report and financial statements

For the year ended 31 March 2023

Leathermarket Joint Management Board
(A company limited by guarantee)

Company Information

Directors	Christine Parsons Michael Adu Lee Page Yuan David Hutton-Potts Martin Green Peter Ntiamoh Baffoe (appointed 29 March 2023) John Lynch Deborah Walsh David Oakley (appointed 7 November 2022) Clive Shaw
Company secretary	Andrew Bates
Registered number	02987890
Registered office	26 Leathermarket Street Bermondsey London SE1 3HN
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 2nd Floor 168 Shoreditch High Street London E1 6RA

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Leathermarket Joint Management Board
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Directors' report
For the year ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

The Company's principal activity during the year was the management and administration of land and properties on the Leathermarket estate.

Directors

The directors who served during the year were:

Christine Parsons
Michael Adu
Lee Page
Yuan David Hutton-Potts
Martin Green
Peter Ntiamoh Baffoe (appointed 29 March 2023)
Liam McGrath (resigned 7 November 2022)
John Lynch
Deborah Walsh
Jacqueline Roche (resigned 8 October 2022)
David Oakley (appointed 7 November 2022)
Halima Iqbal (resigned 7 November 2022)
Clive Shaw

Business review

The overall trend is that the JMB's finances are getting much tighter. The JMB's 2022/3 £288,967 surplus is much lower than any year since the JMB became self-financing in 2013. Even this level of surplus is due to the auditors clearing out repairs accruals from previous years.

The principal reason for the JMB's finances becoming much tighter is escalating responsive repair costs. The JMB's repair costs rose from £1.6m in 2021/22 to £2.0m in 2022/3. Building cost inflation was much higher than the 7% rent increase allowed by the Government. There is a need to tackle the repairs backlog that was suppressed during lockdown. Southwark Council reported a 200% increase in the demand for repairs between November 2022 and April 2023. Quite rightly, the focus is on reacting quickly to any building safety issues and identifying properties affected by mould, but this obviously affects repairs costs.

Despite the above, Leathermarket JMB is currently in a strong financial position. This is critically important because of the ongoing challenges of responsive repairs described above and the requirement to deliver essential major works. In addition to the on-going challenge of providing a responsive repair service, is the programmed renewal of vital services such as lifts and heating systems and the need to keep blocks safe and watertight. The Building Safety Act, which is a consequence of the Grenfell Tower tragedy, applies mandatory requirements on the JMB. Nothing is more important to the JMB than keeping its residents safe.

The JMB wants to respond to the government's decarbonisation agenda and make its homes more energy efficient, but will require additional Government funding to do this.

During 2022/3 the JMB spent £2.1m on delivering major works. The focus was on structural works, with Nashe House, Munday House, Jonson House, Greene House, Lyly House, Trinity Street, Hamilton Square, and Rephidim Street benefiting. The aged lifts at Simla House and Symington House were replaced. In addition, the entry phone systems on Simla, Burwash and 1-10 Long Lane had reached the end of their useful life and were replaced.

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Directors' report (continued)
For the year ended 31 March 2023

In response to the challenges described above the JMB is accelerating the delivery of its major works. It aims will spend £3m delivering major works in 2023/4 and is preparing to spend £4m in 2024/5. The JMB specifies any works it is undertaking in detail and then competitively tenders the work to ensure that it gets the best quality and price. There is also statutory homeowner consultation required. This means that it is always working on its next phase of major works delivery major works over a twelve to eighteen month period. The works that the JMB is currently planning to undertake are Simla House and Burwash House safety works, Peveril House structural works, Symington House electrical renewal, Beeston House lift renewal, and new bathrooms for secure tenants whose bathrooms do not meet the decent homes standard. Southwark Council is organising a building safety inspection of JMB blocks over six floors within the next six months. The JMB will need to deliver the works required by these inspections.

Tenants collectively pay for major works across the JMB. Homeowners contribute directly to the cost of relevant major works on their block or estate. The JMB recognises the tension between the need to invest funds making sure that JMB homes are safe and livable and the financial burden this places on homeowners. The JMB works to protect the interest of both tenants and homeowners by ensuring that works are delivered to a good standard and value-for-money is achieved.

As the JMB is self-financing it is dependent on the rent and service charges paid by its residents. Rent collection was strong in 2022/3, 100% excluding lost rent on empty properties. The average turnaround time for empty properties was a concerning 91 days. This was largely due to the large number of empty properties consequent on JMB tenants moving into the new build at Joyce Newman House and Joseph Lancaster Terrace. In addition, there were acute problems trying to get fuel companies to reconnect the supply for in-coming tenants.

The JMB has only been collecting service charges for two years, so it is just starting to understand expected collection rates:

Year	Charge	Collection
2021/22	Major works	73%
2022/3	Major works	70%
2021/2	Revenue	91%
2022/3	Revenue	92%

The figures are so similar for both years that it gives the JMB a baseline to evaluate expected collection in future years.

In conclusion, the JMB, in common with all managers of council housing, face significant challenges. However, the JMB has strong financial controls in place and this means that it is in a position to react to the immediate challenges it faces. In the medium term the JMB, again in common with all council housing managers, urges governments to provide fair funding for council tenants, so that the JMB can ensure that all residents live in good quality, safe and damp free homes, served by reliable communal services.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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Directors' report (continued)
For the year ended 31 March 2023

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on and signed on its behalf.



Andrew Bates
Secretary
30 October 2023

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

Opinion

We have audited the financial statements of Leathermarket Joint Management Board (the 'Company') for the year ended 31 March 2023, which comprise the Income & expenditure statement, the Balance sheet, the Statement of changes in capital and reserves and the related notes, 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 Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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Independent auditors' report to the members of Leathermarket Joint Management Board (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are 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 directors determine 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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Independent auditors' report to the members of Leathermarket Joint Management Board (continued)

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to The Landlord and Tenants Act 1985, health and safety, anti-bribery and employment law. 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 Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. 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 principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure or not recognising transactions in some bank accounts or underreporting creditor balances.

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash and payroll and expenditure; and
- Challenging assumption and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Reviewing after balance sheet date information to determine whether any additional creditors should be recognised.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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Independent auditors' report to the members of Leathermarket Joint Management Board (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.

Kreston Reeves LLP

Michael Cook BA FCA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 6 December 2023

Leathermarket Joint Management Board
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Income & expenditure statement
For the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	3	8,374,896	7,988,307
Cost of sales		<u>(6,569,741)</u>	<u>(5,373,177)</u>
Gross profit		1,805,155	2,615,130
Administrative expenses		<u>(1,516,189)</u>	<u>(1,399,602)</u>
Operating profit		288,966	1,215,528
Tax on profit		1	-
Profit for the financial year		<u>288,967</u>	<u>1,215,528</u>

There was no other comprehensive income for 2023 (2022: £Nil).

The notes on pages 11 to 15 form part of these financial statements.

Leathermarket Joint Management Board
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Registered number: 02987890

Balance sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	62,196	34,118
Current assets			
Debtors: amounts falling due within one year	6	755,539	758,293
Cash at bank and in hand		7,250,203	7,080,861
		<u>8,005,742</u>	<u>7,839,154</u>
Creditors: amounts falling due within one year	7	(524,774)	(619,075)
Net current assets		7,480,968	7,220,079
Net assets		<u>7,543,164</u>	<u>7,254,197</u>
Capital and reserves			
Reserve fund	8	773,156	704,178
Income and expenditure account	8	6,770,008	6,550,019
		<u>7,543,164</u>	<u>7,254,197</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Christine Parsons
 Director

Date:

30/03/23

The notes on pages 11 to 15 form part of these financial statements.

Leathermarket Joint Management Board
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Statement of changes in capital and reserves
For the year ended 31 March 2023

	Reserve fund £	Income and expenditure account £	Total capital and reserves £
At 1 April 2021	684,939	5,353,730	6,038,669
Comprehensive income for the year			
Surplus for the year	-	1,215,528	1,215,528
Total comprehensive income for the year	-	1,215,528	1,215,528
Transfer to/from income and expenditure account	19,239	(19,239)	-
At 1 April 2022	704,178	6,550,019	7,254,197
Comprehensive income for the year			
Surplus for the year	-	288,967	288,967
Total comprehensive income for the year	-	288,967	288,967
Transfer to/from income and expenditure account	68,978	(68,978)	-
At 31 March 2023	773,156	6,770,008	7,543,164

Leathermarket Joint Management Board
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Notes to the financial statements
For the year ended 31 March 2023

1. General information

Leathermarket Joint Management Board is a private company, limited by guarantee and incorporated in England and Wales with the registered number 02987890. The principal place of business is the same as its registered office being 26 Leathermarket Street, Bermondsey, London, SE1 3HN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Turnover

Net rent receivable represents rent receivable from tenants and leaseholder income represents service charge receivable. Both are stated exclusive of Value Added Tax, credit for which is taken on an accruals basis.

The company is entitled to an allowance exclusive of Value Added Tax, equal to the total rent collected on one of the courts on the leathermarket estate.

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.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

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Notes to the financial statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20% straight line
Fixtures and fittings	- 20 - 33% straight line
Office equipment	- 20% straight line
Computer equipment	- 20 - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in income or expenditure.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loan from banks and other third parties, loan to related parties and investments in ordinary shares.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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Notes to the financial statements
For the year ended 31 March 2023

3. Turnover

The company derives the majority of its income from the rental of its properties, which is recognised for the period in which the property is let. Income is stated gross of any settlement discount offered. The company also receives homeowner income from major works contribution and service charge income. Turnover for the year is £8.37m (2022: £7.99m).

4. Employees

The average monthly number of employees, including directors, during the year was 39 (2022: 52).

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 April 2022	40,805	15,785	3,927	212,693	273,210
Additions	2,798	-	2,734	46,303	51,835
Disposals	(3,261)	-	(3,609)	(183,553)	(190,423)
At 31 March 2023	<u>40,342</u>	<u>15,785</u>	<u>3,052</u>	<u>75,443</u>	<u>134,622</u>
Depreciation					
At 1 April 2022	29,435	15,785	3,927	189,945	239,092
Charge for the year on owned assets	4,613	-	547	18,205	23,365
Disposals	(3,131)	-	(3,609)	(183,291)	(190,031)
At 31 March 2023	<u>30,917</u>	<u>15,785</u>	<u>865</u>	<u>24,859</u>	<u>72,426</u>
Net book value					
At 31 March 2023	<u>9,425</u>	<u>-</u>	<u>2,187</u>	<u>50,584</u>	<u>62,196</u>
At 31 March 2022	<u>11,370</u>	<u>-</u>	<u>-</u>	<u>22,748</u>	<u>34,118</u>

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Notes to the financial statements
For the year ended 31 March 2023

6. Debtors

	2023	2022
	£	£
Trade debtors	703,983	414,838
Other debtors	42,987	-
Prepayments and accrued income	8,569	343,455
	<u>755,539</u>	<u>758,293</u>

7. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank overdrafts	5,642	-
Trade creditors	208,112	123,695
Corporation tax	-	1
Other taxation and social security	-	159,094
Other creditors	12,475	9,392
Accruals and deferred income	298,545	326,893
	<u>524,774</u>	<u>619,075</u>

8. Reserves

Income & expenditure

The Income & expenditure account comprises all current and prior period retained surpluses and deficits, less transfers to the reserve fund.

Reserve fund

The reserve fund holds a contingency amount in case of unexpected major works.

9. 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.

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Notes to the financial statements
For the year ended 31 March 2023

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £55,370 (2022: £70,714). Contributions totalling £470 were receivable from (2022: £5,709 were payable to) the fund at the balance sheet date and are included within 'Other Creditors' in Note 8 of these financial statements.

11. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	30,795	21,552
Later than 1 year and not later than 5 years	21,153	31,017
	<u>51,948</u>	<u>52,569</u>

12. Other financial commitments

The company had total financial commitments at the balance sheet date of £3,235,260 (2022: £Nil) in relation to major works.

13. 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.

Key management personnel remuneration during the year totalled £286,274 (2022: £282,513).

14. 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.

Registered number: 02987890

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Detailed accounts

For the year ended 31 March 2023

Leathermarket Joint Management Board
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Detailed profit and loss account
For the year ended 31 March 2023

	2023	2022
	£	£
Turnover	8,374,896	7,988,307
Cost of sales	<u>(6,569,741)</u>	<u>(5,373,177)</u>
Gross profit	<u>1,805,155</u>	<u>2,615,130</u>
Less: overheads		
Administrative expenses	<u>(1,516,189)</u>	<u>(1,399,602)</u>
Operating profit	288,966	1,215,528
Tax on profit on ordinary activities	1	-
Profit for the year	<u>288,967</u>	<u>1,215,528</u>

Leathermarket Joint Management Board
(A company limited by guarantee)

Schedule to the detailed accounts
For the year ended 31 March 2023

	2023 £	2022 £
Turnover		
General income	899,203	985,392
Income from external contracts	-	265
Leaseholder income	712,188	559,438
Net rent receivable	6,763,505	6,442,747
Other income	-	465
	<u>8,374,896</u>	<u>7,988,307</u>

	2023 £	2022 £
Cost of sales		
Homeowner service	158,493	148,325
Cleaning	405,374	340,947
Planned and responsive repairs	1,973,664	1,614,814
Rent collection cost	28,447	25,207
Major works	2,060,668	1,476,864
London Borough of Southwark costs	1,419,917	1,315,490
Estate costs	309,156	219,551
Lifts	53,896	83,382
Court and legal fees	52,241	80,133
Ground maintenance	107,885	68,464
	<u>6,569,741</u>	<u>5,373,177</u>

Leathermarket Joint Management Board
(A company limited by guarantee)

Schedule to the detailed accounts
For the year ended 31 March 2023

	2023 £	2022 £
Administrative expenses		
Staff salaries	926,899	876,752
Staff pension costs - defined contribution schemes	51,430	51,366
Staff national insurance	91,158	88,064
Staff training	15,297	3,890
Office costs (see below)	177,785	152,590
Staff season ticket loan/subsistence	5,922	3,490
Printing and stationery	18,326	20,057
Computer costs	25,269	7,136
Auditors' remuneration	18,750	18,013
Auditors' remuneration - non-audit	3,075	2,780
Grant expenditure	9,358	1,835
Insurances	55,244	51,259
Profit/loss on sale of tangible assets	392	-
Business development	10,384	870
Directors' costs	2,060	13,478
IT expenditure	86,621	91,680
Events	18,219	16,342
	<u>1,516,189</u>	<u>1,399,602</u>

	2023 £	2022 £
Staff costs		
Total wages and salaries	1,592,067	1,504,477
Total social security costs	160,095	131,671
Total defined contribution pension costs	86,577	70,714
Reallocated to ground maintenance	(94,740)	(60,675)
Reallocated to cleaning	(337,551)	(290,869)
Reallocated to planned and responsive repairs	(331,011)	(332,637)
Reallocated to rent collection cost	(5,950)	(6,499)
Staff costs per administrative expenses	<u>1,069,487</u>	<u>1,016,182</u>

	2023 £	2022 £
Breakdown of staff costs above		
Wages and salaries	926,899	876,752
Staff national insurance	91,158	88,064
Defined contribution pension costs	51,430	51,366
	<u>1,069,487</u>	<u>1,016,182</u>

Leathermarket Joint Management Board
(A company limited by guarantee)

Schedule to the detailed accounts
For the year ended 31 March 2023

	2023	2022
	£	£
Office costs per administrative		
Office costs	154,420	138,051
Depreciation - plant and machinery	4,613	6,476
Depreciation - office equipment	18,752	8,063
	<u>177,785</u>	<u>152,590</u>