Company registration number 32294R (England and Wales)

LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Board Members	Mr D Hawkins	
	Mr L McGrath (Co opted)	
	Mr M Yates (Co-opted Co Chair and Treasurer)	
	Ms K Farrant	
	Ms M Pamic (Secretary)	
	Ms R Onyeche Abo	
	Mr R Raudins (Residents Co Chair)	
	Mrs C Davis (JMB representative)	(Appointed 5 June 2026)
	Mr J T Templeman	(Appointed 22 April 2026)
Leathermarket CBS Staff (during the year)	Beverley Nofamo (Programme Director)	
	Majda Pamic (Finance Officer & Administration)	
	Brian Botha (Senior Project Manager)	
Company number	32294R	
Registered office	26 Leathermarket Street London SE1 3HN	
Auditor	Sumer Auditco Limited Acre House 11-15 William Road London NW1 3ER	
Bankers	Lloyds Bank PLC PO Box 72 Bailey Drive Gillingham Business Park Kent ME8 0LS	
Solicitors	Anthony Collins Solicitors PLC 134 Edmund Street Birmingham B3 2ES	

LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

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LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

BOARD'S REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 MARCH 2026

The board members present their annual report and financial statements for the year ended 31 March 2026.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with current statutory requirements, the requirements of the Rules and provisions of the Charities SORP "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 2019).

Objectives and activities

The Society was formed for the benefit of the community with a mission to develop new, genuinely affordable community-led housing and improve existing neighbourhoods – in order to generate social, economic and environmental benefit for the local residents of the Leathermarket JMB estates.

The primary objectives of the CBS are:

- To build high quality and genuinely affordable homes for rent;
- To democratically develop buildings and public spaces the local community are proud of;
- To build energy efficient homes that reduce energy poverty;
- To ensure the new homes are available for local people in housing need; and
- To empower incoming residents to participate in the design of their homes

The long-term ambition of the CBS is to maximise the delivery of a programme of new genuinely affordable community-led housing on the Leathermarket JMB estates through strong, mutually constructive partnerships with Southwark Council and the GLA. The success of the delivery of CBS' first two housing schemes, including the delivery of community facilities, demonstrates the ability of the CBS to unlock challenging development sites and to deliver high quality homes and community facilities. The CBS plans to continue working collaboratively with Southwark to deliver a rolling programme of new community-led homes over the next six years, to help the Council reach its target of 11,000 new affordable homes in the borough by 2043.

Achievements and performance

Since the completion of the CBS's first 27 homes at Marklake Court in 2018, we have built on the many strengths of our community-led housing model and have seen considerable enthusiasm for moving forward with an expanded delivery programme of local, social-rent homes and associated community facilities.

The second CBS development, on the former Joseph Lancaster nursery building on the Lawson Estate, delivered 40 social rent homes - 6 mews houses and 34 flats, as well as new communal garden and play space for children - which completed in May 2022. It is a significant achievement that 100% of the new homes at Joseph Lancaster were let at social rent levels, as was the case with the first CBS development at Marklake Court. Delivery of these homes and community facilities have been made possible by support and funding from Southwark Council and the Greater London Authority (GLA).

The third CBS scheme proposal, to provide 34 new Council homes, a new fit-for-purpose outdoor ball court, children's play space and a community garden, with improved landscaping across the Elim Estate, reflects over three years of consultations with Elim Estate residents. Full planning permission was granted on 4th June 2024. However, the decision was quashed due to a Judicial Review challenge relating to a technical flood risk matter.

During 2025/26, the CBS worked closely with Southwark Council and its professional consultant team to update the planning submission and supporting assessments to reflect changes in planning policy and technical requirements since the original planning approval, together with providing additional clarification on matters raised through the Judicial Review process. Following this work, planning permission for the scheme was re-granted by Southwark Council on 19 March 2026.

An application has subsequently been made for permission to bring a further Judicial Review in relation to the new planning permission granted on 19 March 2026. At the date of approval of these financial statements, the Court was considering whether the claim had an arguable basis and should be permitted to proceed. No decision had been made on permission, and the substantive merits of the claim had not been determined.

The fourth development scheme proposal, on the site of the existing JMB office at 26 Leathermarket Street, progressed significantly during the year. The proposal will provide 26 new Council-rent homes above replacement office and community space for Leathermarket JMB. This scheme received a positive resolution to grant planning permission from Southwark's planning committee on 21 January 2026. The associated Unilateral Undertaking is currently being progressed and, once completed, will enable the formal planning permission to be issued.

In order to ensure a coordinated approach between improving our local estates and building new homes, to be let at Council rent levels, the CBS continues to work on the priorities set out in its 2018 Estate Improvement Plan, which reflects feedback from over 600 local residents.

As is clear from these achievements, the board have worked with both focus and diligence on an expanding rolling programme of community-led development. The resident directors bring a wealth of local knowledge and commitment and are grateful to the external co-opted directors for their expertise and advice. Other than the JMB nominee on the CBS board (funded by JMB), all of the directors are unpaid.

Financial review

It is important to offer an explanation of the audited accounts. Although the CBS is shown as having reserves of £9,160,019 at 31 March 2026, this amount includes £9,160,019 spent on construction costs and associated professional fees for the new homes at Marklake Court. Although £9,160,019 is actually an amount incurred, because the new homes are an asset for the CBS this amount is deemed to be 'land and buildings', and therefore is recorded as an asset in the accounts.

The accounts also make a distinction between project and client funds. Project funds are grant given by either Southwark Council or the GLA and can only be spent on costs directly relating to the delivery of affordable new homes. Within the £9,160,019 reserves are £9,160,019 project funds which have been spent on costs directly relating to the new homes at Marklake Court. The balance of any grants regarding the Joseph Lancaster, JMB Office and Elim Projects are shown as deferred grants in creditors.

The CBS operates a robust risk management process designed to identify, evaluate and manage risks. A project team has been employed to support the CBS in this, particularly in relation to development risk, given that development is a primary function of the CBS work. The CBS also draws on the extensive knowledge of the Leathermarket JMB in relation to asset management, under its support agreement.

Risks are categorised as internal (CBS controlled) and external (market controlled). The key steps of the CBS risk management strategy are:

1. Risk Identification
2. Risk Analysis
3. Risk Allocation
4. Risk Monitoring and Action Planning

The highest-ranking risks are reviewed on a regular basis, both at Board level for key business risks, and project level for development risks. Particular focus is given to establishing management strategies to reduce risk, and ensuring clarity of mitigation actions ownership.

The principal risks facing the CBS relate to the successful progression of its development programme through detailed technical design, procurement and delivery stages. This includes managing changing market conditions, construction costs, programme timescales, changes in the wider operating environment and the coordination of delivery arrangements with partner organisations. These matters are closely monitored by the CBS team and Board, supported by specialist professional advisers and regular cost reviews undertaken by qualified Quantity Surveyors. The nature and potential impact of these risks continue to evolve as the development programme progresses, and the CBS keeps its programme, costs and delivery arrangements under regular review.

Structure, governance and management

The CBS is a company limited by guarantee and is registered under the Co-operative and Community Benefit Societies Act 2014. Each individual member must hold a share of £1 each.

The board members, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are listed below. However it should be noted that the CBS Secretary role is fulfilled by a non-member of the CBS:

Mr P C Munday (Treasurer/Co Chair)	(Resigned 19 May 2026)
Mr D Hawkins	
Mr L McGrath (Co opted)	
Mr M Yates (Co-opted Co Chair and Treasurer)	
Ms K Farrant	
Ms M Pamic (Secretary)	
Ms R Onyeche Abo	
Mr R Raudins (Residents Co Chair)	
Mr B Heapy (JMB Representative)	(Resigned 10 December 2025)
Mrs C Davis (JMB representative)	(Appointed 5 June 2026)
Mr J T Templeman	(Appointed 22 April 2026)

Each board member is elected for a fixed term of office expiring at the conclusion of an annual general meeting. The fixed term shall be for a term of three annual general meetings unless the board has set a lower number of annual general meetings for the relevant board member on their election. No fixed term shall be set which would cause the relevant resident board member to serve beyond their ninth consecutive annual general meeting.

CBS Board

The CBS Board Directors provide overarching strategic direction for the society – directing, controlling and evaluating CBS's affairs. Effective oversight of CBS's activities requires continuity of local knowledge from committed resident Directors, complemented by input from experienced co-opted Directors and representative of the JMB.

CBS Members (at its meeting on 15th October 2024) agreed to a minor constitution change to enable the Board size and composition to reflect best practice in line with the CBS programme. The changes protected the Board continuing to be community led, as the constitution stipulates that resident Board Directors always need to be the majority of the Board. The Financial Conduct Authority have approved these changes.

The CBS Board is currently comprised of eight directors - five democratically elected residents, two co-opted directors, selected for their relevant knowledge and expertise, and one representative from the JMB. An ongoing challenge is ensuring that all residents, regardless of background and experience, feel confident coming forward to become CBS Directors, and can effectively represent the views of CBS members. This means supporting incoming Directors to develop the values, knowledge and skills to help achieve the CBS's objectives. CBS has previously organised programmes of online courses, internal workshops, and Away Day training to support and empower Directors, which are ongoing. Following a number of changes to the composition of the Board, the CBS further developed it's training and development programme through the introduction of a more structured programme covering governance, finance, planning, afffordable housing delivery, building safety and equality matters.

CBS Client team

The CBS has an established and strong client team, with the right skills and expertise to progress delivery of the CBS rolling programme. During they year the client team played a key role in securing planning permissions, coordinating technical workstreams, managing consultant teams and progressing funding and delivery discussions across the CBS development programme.

The team is headed by a Programme Director, who has extensive experience of leading the delivery of affordable housing programmes; an experienced Senior Project Manager to provide development management expertise on new schemes, a Community & Communication Manager, during consultations, to work with Leathermarket residents and the JMB; and a Finance Officer to provide internal financial expertise. The CBS client team is funded through rental income from Marklake Court and Joseph Lancaster, as agreed under the Project Grant Agreement for each CBS development.

The direct staffing cost was £186,326 spent on wages, national insurance and pension contributions of the CBS officers.

Auditor

In accordance with the company's articles, a resolution proposing that Sumer Auditco Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the board members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The board's report was approved by the Board of Board Members.

Mr M Yates (Co-opted Co Chair and Treasurer)

Mr R Raudins (Residents Co Chair)

17 September 2026

STATEMENT OF BOARD'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2026

The board members, who are also the directors of Leathermarket Community Benefit Society Limited for the purpose of company law, are responsible for preparing the Board's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the board members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CBS and of the incoming resources and application of resources, including the income and expenditure, of the society for that year.

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CBS will continue in operation.

The board members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the CBS 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 CBS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

Opinion

We have audited the financial statements of Leathermarket Community Benefit Society Limited (the 'CBS') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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) and the requirements of the rules and provisions of the Charities SORP "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 2019).

In our opinion, the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2026 and of its incoming resources and application of resources, including its income and expenditure, 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 chapter 1-5 of section 87 of the Co-Operative and Community Benefits Societies Act 2014, and the requirements of the rules and provisions of the Charities SORP "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 2019).

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 CBS 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 board's 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 CBS'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 board members 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 members 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.

Opinions on other matters prescribed by the Community and Benefits Societies Act 2014.

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

- the information given in the board's report for the financial year for which the financial statements are prepared, which includes the board's report prepared for the purposes of company law, is consistent with the financial statements; and
- the board's report included within the board's 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 CBS and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the board's report.

We have nothing to report in respect of the following matters in relation to which the Co-Operative and Community Benefits Societies Act 2014 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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board members 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 board's report and from the requirement to prepare a strategic report.

Responsibilities of board members

As explained more fully in the statement of board's responsibilities, the board members, who are also the directors of the CBS for the purpose of company law, 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 board members 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 board members are responsible for assessing the CBS'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 members either intend to liquidate the charitable company 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.

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 is detailed below.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the organisation 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 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 Co-operative and Community Benefit Societies Act 2014, the Charities SORP "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 2019), 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. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management;
- Assessment of identified fraud risk factors;
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity;
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including cash and payroll;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- 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;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities;
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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, except to the extent otherwise explicitly stated in our report, not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee
- Conclude on the appropriateness of the committees 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 association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the association 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.

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation.
- Enquiring of management concerning any actual or potential litigation or claims.
- Reviewing minutes of meetings of those charged with governance and correspondence with HMRC.
- Reviewed records since the end of the period to ensure the completeness of income and expenditure.
- In assessment of the risk of fraud through management override of controls, we have tested the appropriateness of journal entries, assessed whether the judgements made in the organisation making accounting estimates are indicative of a potential management bias and evaluated the business rationale of any significant transactions that are outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the organisation's members, as a body, in accordance with chapter 1 - 5 of section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the organisation's members 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 organisation and the organisation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Martin Bradley FCCA (Senior Statutory Auditor)
For and on behalf of Sumer Auditco Limited, Statutory Auditor
Chartered Accountants
Acre House
11-15 William Road
London
NW1 3ER
Date: ....

LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Client funds 2026 £	Project funds 2026 £	Total 2026 £	Client funds (amended) 2025 £	Project funds 2025 £	Total 2025 £
Income from:							
Southwark Council	3	-	67,631	67,631	-	77,299	77,299
Marklake Court and Joseph Lancaster Income	4	663,357	-	663,357	632,693	-	632,693
Management fee income		1,424	-	1,424	418	-	418
Client funds allocated (deferred) in period		(124,615)	-	(124,615)	(218,664)	-	(218,664)
Total income		540,166	67,631	607,797	414,447	77,299	491,746
Expenditure on:							
Board and staffing costs		186,326	-	186,326	189,197	-	189,197
Marklake Court and Joseph Lancaster costs	5	285,955	-	285,955	159,876	-	159,876
Other expenditure	8	67,885	67,631	135,516	65,374	77,299	142,673
Total expenditure		540,166	67,631	607,797	414,447	77,299	491,746
Net income for the year/ Net movement in funds		-	-	-	-	-	-
Fund balances at 1 April 2025		20	9,160,019	9,160,039	20	9,160,019	9,160,039
Fund balances at 31 March 2026		20	9,160,019	9,160,039	20	9,160,019	9,160,039

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible assets	**11**		9,160,019		9,160,019
Investments	**12**		100		100
			9,160,119		9,160,119
Current assets					
Debtors	**13**	523,546		150,806	
Marklake fund bank account	**14**	225,971		166,390	
Cash at bank and in hand		537,262		847,525	
		1,286,779		1,164,721	
Creditors: amounts falling due within one year	**15**	(1,286,859)		(1,164,801)	
Net current liabilities			(80)		(80)
Total assets less current liabilities			9,160,039		9,160,039
Income funds					
Restricted funds	**18**		9,160,019		9,160,019
Unrestricted funds					
Share capital		20		20	
			20		20
			9,160,039		9,160,039

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Co-operative and Community Benefit Societies Act 2014.

The financial statements were approved by the Board Members on 17 September 2026

Mr M Yates (Co-opted Co Chair and Treasurer) Ms M Pamic (Secretary)

Mr R Raudins (Residents Co Chair)

Company registration number 32294R

LEATHERMARKET COMMUNITY BENEFIT SOCIETY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**21**		(250,682)		173,040
Investing activities					
Proceeds from disposal of investments		(23,107)		-	
Net cash used in investing activities			(23,107)		-
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(273,789)		173,040
Cash and cash equivalents at beginning of year			1,013,915		840,875
Cash and cash equivalents at end of year			740,126		1,013,915
Relating to:					
Cash at bank and in hand			537,262		847,525
Marklake sinking fund bank account			202,864		166,390

1 Accounting policies

Organisation information
Leathermarket Community Benefit Society Limited is an organisation registered under the Co-operative and Community Benefit Societies Act 2014, with exempt charitable status, and is incorporated in England and Wales. The registered office is 26 Leathermarket Street, London, SE1 3HN. The nature of the society's operations and principal activity is to operate a Community Right to Build Body primarily in the Leathermarket area in the London Borough of Southwark.

1.1 Accounting convention
The financial statements have been prepared in accordance with the CBS's governing documents, the Co-operative and Community Benefit Societies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The CBS is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the CBS. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern
The financial statements have been prepared on a going concern basis as the Board believe that no material uncertainties exist. The Board have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Society to be able to continue as a going concern.

1.3 Funds
Unrestricted funds are available for use at the discretion of the Board in furtherance of the general objectives of the society and which have not been designated to specific projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income
Income is recognised when the CBS is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

All incoming resources are included in the Statement of Financial Activities (SoFA) when the society is legally entitled to the income and the amount can be quantified with reasonable accuracy. Performance related grants are recognised as the project delivery is confirmed.

1.5 Expenditure
All expenditure (including VAT) is accounted for on an accruals basis and has been classified under headings and aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not Depreciated

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the CBS. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the CBS reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the CBS's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CBS is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 Southwark Council

	Project funds 2026 £	Project funds 2025 £
Southwark Council	67,631	77,299

3 Southwark Council **(Continued)**

Grants receivable for core activities

Grants allocated (deferred) in the period	67,631	77,299
	67,631	77,299

4 Marklake Court and Joseph Lancaster Income

	Marklake Court 2026	Joseph Lancaster 2026	Total 2026	Marklake Court 2025 (amended)	Joseph Lancaster 2025	Total 2025
	£	£	£	£	£	£
Rental income	268,160	373,714	641,874	258,971	353,431	612,402
Utilities income	21,483	-	21,483	20,291	-	20,291
	289,643	373,714	663,357	279,262	353,431	632,693

5 Marklake Court and Joseph Lancaster Expenditure

	Marklake Court 2026	Joseph Lancaster 2026	Total 2026	Marklake Court 2025	Joseph Lancaster 2025	Total 2025
	£	£	£	£	£	£
Direct costs						
Management and maintenance	50,759	75,198	125,957	49,911	73,941	123,852
Heat and light	21,203	-	21,203	17,518	-	17,518
Legal and professional etc	7,795	-	7,795	18,506	-	18,506
Allocation to Marklake sinking fund	131,000	-	131,000	-	-	-
	210,757	75,198	285,955	85,935	73,941	159,876

6 Board Members

None of the board members (or any persons connected with them) received any remuneration or benefits from the CBS during the year.

7 Employees

The average monthly number of employees during the year was:

	2026 Number	2025 Number
Administrative staff	3	3

Employment costs	2026 £	2025 £
Wages and salaries	156,407	161,373
Social security costs	21,226	18,849
Other pension costs	8,693	8,975
	186,326	189,197

8 Other expenditure

	Client funds	Project funds	Total	Client funds	Project funds	Total
	2026	2026	2026	2025	2025	2025
	£	£	£	£	£	£
Project costs	-	67,631	67,631	-	77,299	77,299
Service level agreements and management fees	21,673	-	21,673	19,253	-	19,253
Audit Fees	8,280	-	8,280	8,340	-	8,340
Other expenditure	37,932	-	37,932	37,781	-	37,781
	67,885	67,631	135,516	65,374	77,299	142,673

9 Taxation

Leathermarket Community Benefit Society Limited is a registered society under the Co-operative and Community Benefits Societies Act 2014 with exempt charitable status, so it is not liable for corporation tax on it's main activity.

10 Prior year adjustment

During the period £35,180 was received in respect of gas income for the 22 months to 28 February 2026. Of this amount £13,697 related to the year ended 31 March 2025 and a prior year adjustment has been made accordingly for that amount.

11 Tangible fixed assets

	Freehold land and buildings
	£
Cost	
At 1 April 2025	9,160,019
At 31 March 2026	9,160,019
Carrying amount	
At 31 March 2026	9,160,019
At 31 March 2025	9,160,019

It is important to offer an explanation of the audited accounts. Although the CBS is shown as having reserves of £9,160,019 at 31 March 2024, this amount includes £9,160,019 spent on construction costs and associated professional fees for the new homes at Marklake Court. although £9,160,019 is actually an amount financed, because the new homes are an asset for the CBS this amount is therefore recorded as an asset in the accounts.

12 Fixed asset investments

	Other investments
	£
Cost or valuation	
At 1 April 2025 & 31 March 2026	100
Carrying amount	
At 31 March 2026	100
At 31 March 2025	100

Other investments comprise:	Notes	2026 £	2025 £
Investments in subsidiaries	**20**	100	100

12 Fixed asset investments **(Continued)**

The investment in subsidiaries represents a 100% shareholding of the ordinary share capital of Leathermarket Community Housing Ltd. The registered office of this company is 26 Leathermarket Street, London SE1 3HN.

13 Debtors

	2026	2025
Amounts falling due within one year:	**£**	**£**
Trade debtors	440,340	143,853
Amounts owed by subsidiary undertakings	76,024	-
Other debtors	578	578
Prepayments and accrued income	6,604	6,375
	523,546	150,806

14 Marklake fund bank account

	2026	2025
	£	**£**
Marklake fund bank account	225,971	166,390

The Marklake fund bank account represents the proportion of funds allocated from the Marklake bank account designated for anticipated future works regarding the Marklake building.

15 Creditors: amounts falling due within one year

		2026	2025
	Notes	**£**	**£**
Other taxation and social security		1,411	1,370
Deferred income		991,231	920,550
Trade creditors		102,133	39,695
Amounts owed to subsidiary undertakings		-	141,441
Accruals		192,084	61,745
		1,286,859	1,164,801

Deferred income relates to grants received in advance relating to:

Marklake fund	£146,390	(2025 £153,211)
Joseph Lancaster fund	£ 66,844	(2025 £69,479)
Elim project	£ 0	(2025 £0)
26 LS project	£ 19,176	(2025 £50,202)
Client funding	£758,821	(2025 £647,658)

16 Retirement benefit schemes

Defined contribution schemes	**2026 £**	**2025 £**
Charge to profit or loss in respect of defined contribution schemes	8,693	8,975

The CBS operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the CBS in an independently administered fund.

17 Share capital

	2026 £	**2025 £**
Ordinary share capital		
Issued and fully paid		
20 Ordinary of £1 each	20	20

Shares carry a nominal value of £1 each and are not transferable, nor can they be withdrawn. They carry no right to interest, dividend or bonus and are forfeited and cancelled on cessation of membership.

18 Restricted funds

	At 1 April 2025 £	**Incoming resources £**	**Resources expended £**	**At 31 March 2026 £**
Greater London Authority	279,212	-	-	279,212
Southwark Council	8,880,807	67,631	(67,631)	8,880,807
	9,160,019	67,631	(67,631)	9,160,019

Previous year:	**At 1 April 2024 £**	**Incoming resources £**	**Resources expended £**	**At 31 March 2025 £**
Greater London Authority	279,212	-	-	279,212
Southwark Council	8,880,807	77,299	(77,299)	8,880,807
	9,160,019	77,299	(77,299)	9,160,019

The restricted funds relate to grant funding from the Greater London Authority and Southwark Council towards the development and construction of Marklake Court. Capital costs for Marklake Court of £9,160,019 (£279,212, and £8,880,807 relating to the funding from the Greater London Authority and Southwark Council respectively) have been treated as land and buildings.

19 Related party transactions

Transactions with related parties

During the year the CBS entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2026	2025	2026	2025
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	1,424	418	201,524	207,939
	1,424	418	201,524	207,939

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2026	2025
	£	£
Entities over which the entity has control, joint control or significant influence	-	141,441
Other related parties	92,632	35,628
	92,632	177,069

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2026		Amounts owed by related parties 2025	
	Balance	Net	Balance	Net
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	76,024	76,024	-	-
	76,024	76,024	-	-

19 Related party transactions (Continued)

An individual of the board of Leathermarket Community Benefit Society (CBS) is also a member of Leathermarket Joint Management Board (JMB). The JMB is Southwark's largest resident managed housing organisation, managing 1,500 homes on the Leathermarket estate.

During the year JMB recharged £125,956 (2025: £123,852) to the CBS for operating costs of which £92,632 (2025: £35,628) was owed to JMB at the year end date.

During the year CBS recharged £641,874 (2025: £612,402) to the JMB for the rent of Marklake Court and Joseph Lancaster House. As this relates to amounts collected by the JMB on behalf of the CBS it has not been deemed a related party transaction.

The company owns 100% of the issued share capital of Leathermarket Community Housing Limited (LCH). The LCH is responsible for project managing development of residential housing on the Leathermarket and other estates.

During the year LCH recharged £2,137 (2025: £593) to the CBS for management costs.

During the year the CBS recharged £1,424 (2025: £418) to LCH for management costs.

During the year LCH recharged £5,800 (2025: £6,600) to the CBS for administrative costs.

During the year LCH recharged £67,631 (2025: £77,299) to the CBS for capital expenses related to the planning, development and construction costs of the Joseph Lancaster, Elim and JMB office projects.

As at the year end date CBS was owed by LCH the sum of £76,024 (2025: £144,441 owed to LCH) on an unsecured interest free basis, repayable on demand.

20 Subsidiaries

The CBS is the sole shareholder of Leathermarket Community Housing Limited, a company registered in England and Wales, company number 11489083. All activities have been consolidated on a line by line basis in the statement of financial activities. A summary of the results of the subsidiary for the year ended 31 March 2026 are shown below:

Turnover:	£75,568	(2025: £84,492)
Profit/(Loss):	(£74)	(2025: £11)

The aggregate of assets, liabilities and funds was:

Assets:	£88,576	(2025: £243,256)
Liabilities:	£75,885	(2025: £230,491)
Funds:	£12,691	(2025: £12,765)

21	**Cash (absorbed by)/generated from operations**	**2026**	**2025**
		£	**£**
	Surplus for the year	-	-
	Movements in working capital:		
	(Increase)/decrease in debtors	(372,740)	47,988
	Increase/(decrease) in creditors	51,377	(2,616)
	Increase in deferred income	70,681	127,668
	Cash (absorbed by)/generated from operations	(250,682)	173,040

22 Analysis of changes in net funds

The CBS had no material secured debt during the year.