



Community Share Offer

www.leedscommunityhomes.org.uk

Important information about Community Shares

This offer is an opportunity to buy withdrawable shares in Leeds Community Homes Ltd. These shares (unlike transferable shares in Companies) cannot be sold or traded to someone else, but can be withdrawn subject to the Rules of the Society.

Community shares are fully at risk

Unlike a normal investment in stocks and shares, this investment has a high potential social impact and community benefit, but is higher risk. If you intend to invest a significant sum you may wish to take qualified financial advice. Don't invest unless you're prepared to lose all the money you invest. This is a high risk investment and you will not be protected if something goes wrong. Community Shares are not subject to the Financial Services Compensation Scheme, and the Financial Ombudsman Service will not be able to consider complaints related to this offer.

Take 2 minutes to learn more

For further information about investment-based crowdfunding, visit the FCA's website at www.fca.org.uk/consumers/crowdfunding

This Share Offer has been awarded the Community Shares Standard Mark

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposely incorrect, confusing or misleading
- Societies are asked to sign a Code of Practice requiring them, among other things, to give the public a right of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit go to www.communityshares.org.uk

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Join the #peoplepoweredorhomes revolution



Leeds Community Homes

Introduction from the Board of Leeds Community Homes



LET'S BUILD A BETTER LEEDS

Join the #peoplepoweredhomes revolution

Leeds Community Homes is a Community Land Trust (CLT) for Yorkshire. We exist to pioneer the development of community led, affordable and sustainable homes in Leeds and around Yorkshire.

This, our second share offer, provides another inspiring opportunity for people and organisations to be part of our groundbreaking and increasingly successful community led revolution. This share offer is raising capital for an exciting development of 34 sustainable, affordable, high-quality community-led homes at Mistress Lane in Armley, Leeds. This is an area where there are not enough affordable housing for local people, and People Powered Homes will be a major boost to the regeneration of the area.

The Mistress Lane development represents the next step in changing the way that homes are provided in Leeds and Yorkshire.

You can be part of this change by investing in our share issue. Those who invest become members of our Society and can get involved in our decision-making – part of a community who believe in a different community-led future for affordable quality housing.

Your investment will:

1. Create great new affordable homes, and fantastic community-led social impact in Armley
2. Allow Leeds Community Homes to build a sustainable financial business plan
3. Help us to build capacity to create more affordable community led homes in Yorkshire in the future

We look forward to welcoming you as fellow investors and members of Leeds Community Homes!

The Chair and Trustees

Offer Summary

Share Offer Open: September 21st 2023

Share Offer Closes: November 14th 2023

Investment Type

Withdrawable Shares (£1 nominal value per share)

Investment Limits

Minimum: £300,000

Optimal: £500,000

Maximum: £750,000

Interest

Headline Rate: 5% (Maximum Interest Offered)

Optional Rates: 3%, 0%

Minimum Individual Investment: £100

Maximum Individual Investment: £50,000

Interest Credited

1st April annually, Interest will be credited as additional share capital

First Interest Credited and Withdrawals From
1st April 2027



If our Optimal Target is not met by the closing date, the Leeds Community Homes Board may decide to extend the share offer for a further month. If the Maximum Target is reached, the offer will be closed to further investments.



Leeds Community Homes: who we are!

Leeds Community Homes is at the heart of a People Powered Homes revolution.

The UK housing market desperately lacks an adequate provision of affordable housing to meet needs and the high cost of housing is the leading cause of pushing millions of people into poverty. We are part of a growing national network of people who are committed to helping local communities provide their own affordable housing solutions, involving local people at the heart of all developments whilst also committing to environmental sustainability.

What is Community Led Housing?

Community led housing is a growing movement of normal people taking action and managing housing projects that build the high standard, affordable homes that the country so desperately needs. There are numerous positive impacts that this approach to housing provides:

- Community ownership of local assets and the investment of surpluses back into the community
- Genuinely affordable homes to meet local housing need, developed in a way that benefits the local area
- Activating local public engagement in the development and regeneration process
- Promotion of community cohesion, accountability and a sense of connection leading to long term sustainability of a community
- Aspirational standards of design, quality accessibility and environmental sustainability
- Creating schemes where people share and care for each other



History & Achievements

2015: Founded by local community visionaries working with various local socially minded organisations; constituted as a Community Benefit Society in November 2015.

January 2017: The first share offer captures the imagination of the community and raises £360,000 towards purchase of 16 affordable flats at Climate Innovation District (CID)

January 2018: Formation of the first community-led housing enabling Hub in the UK (now People Powered Homes Ltd)

March 2020: Mistress Lane planning application submitted...

May 2021: ...and planning consent granted!

October 2021: People Powered Homes Ltd becomes housing partner of Climate Action Leeds

March 2022: Leading on major national Black and Minorities housing research project funded by Nationwide Trust, Tudor Trust and a consortium of other

September 2023: First homes at Climate Innovation District to complete

Spring 2024: Start on site at Mistress Lane

First Step: work with developer CITU to buy 16 affordable apartments at the groundbreaking Climate Innovation District development in Leeds.

And: Creating an enabling hub and working with more than 50 groups and societies to help them to create local homes.

Also: Being part of a national framework of enablers to build and advocate for a UK wide community led housing revolution.

Next: to build our own homes- at Mistress Lane in Armley, which is the subject of this offer.

The Future: We also plan to build more community homes across Yorkshire in the future and we expect to have future share offers to support this goal!



LCH Chair Jimm Reid with Hilary Benn MP on the site of Leeds Community Homes

Leeds Community Homes Structure

Leeds Community Homes Ltd is a Charitable Community Benefit Society, registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014, registration Number 8479. Our rules are available to view at www.leedscommunityhomes.org.uk. As a Community Land Trust all the assets we own are owned and managed by us for the benefit of our community.

Leeds Community Homes was originally founded on 30 November 2015 (society no 7252). A restructure was approved by the membership and took place on April 1, 2021, with a transfer of all engagements and assets approved by the FCA, from the original entity into newly formed, Charitable Community Benefit Society (8479). This entity is registered by HMRC as a charity for tax purposes in line with Finance Act (2010). The original entity was wound up on 24 September 2021.

² Para 1, Schedule 6 of Finance Act 2010

People Powered Homes (PPH)

As part of the 2021 restructure, People Powered Homes Ltd was founded on 15 January 2021 company no 13137972, as a Company limited by shares. "People Powered Homes" has been a strap line for Leeds Community Homes since inception.

It is a wholly-owned subsidiary, which means that Leeds Community Homes has total control over its affairs. All surpluses generated through People Powered Homes are transferred to Leeds Community Homes, and re-invested into achieving our mission and vision.

Registered Provider Status

In January 2022 we submitted our second stage full application to become a Registered Provider of Social Housing, this status will allow Leeds Community Homes to own and manage social and affordable rental properties, and access capital grants available from Homes England.



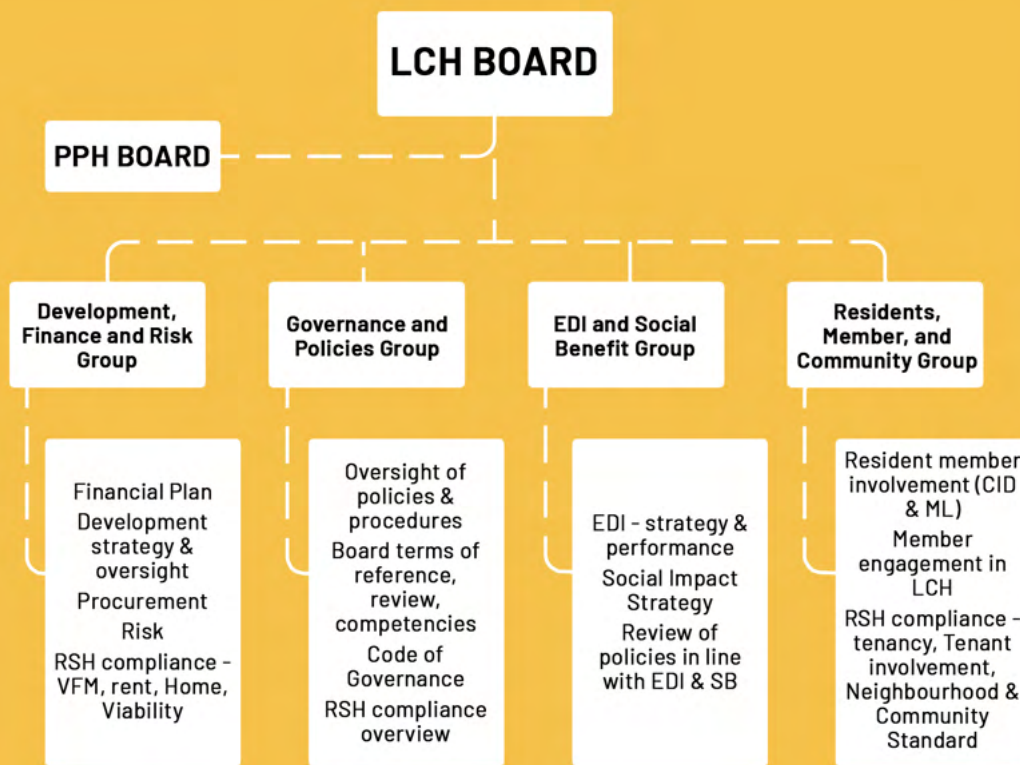


Fig 1. Governance Diagram

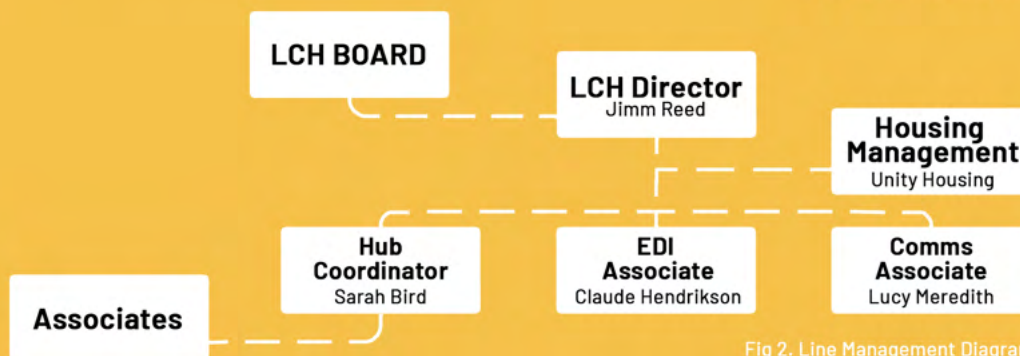


Fig 2. Line Management Diagram

Governance

Leeds Community Homes is guided by a voluntary Board of Trustees who oversee the running of the business in line with our Rules and Code of Governance. Meetings are quarterly, with more frequent meetings of nominated subgroups. Membership of our board is open to members and investors.

We regularly audit our Board's skills and competences, and actively seek to recruit to fill any gaps. Leeds Community Homes has worked hard to ensure that community, governance, financial, development and housing management and diversity skills are reflected.

All Trustees sign a Code of Conduct and we also maintain a Register of Interests and actively monitor and police potential conflicts of interest. Trustees are formally elected by members at each AGM but may be co-opted during the year. A third of the Board must step down each year but may be re-elected.

The Board works closely with the LCH Director, Jimm Reed, who leads the delivery of the development projects, business plan and oversees our day-to-day operation. Jimm brings a wealth of skills, knowledge and experience of developing affordable homes, particularly in community-led housing settings.

Our Board and Exec team can be viewed in Appendix 1

Membership

Leeds Community Homes is a member-driven organisation where every member has the same voting rights regardless of their level of investment into the society. Our current membership comprises investors from our first share issue in addition to members of the wider public who have bought a nominal share to join the organisation.

Any new shareholders will become Members of the Society, with democratic rights and the power to stand for and elect the Board of Directors. All members (individuals and organisations) have one vote irrespective of the size of their shareholding in the Society.

Engagement

Engagement with members is focused through our annual general meeting, where members can raise business and vote on proposals presented by the board of directors. It is also maintained through ongoing updates via our monthly newsletters, our social media channels and various online and in-person events/presentations and workshops.

There has also been direct consultation around key strategic and governance issues, for instance the 2021 restructure, and use of the original share capital on other projects such as Mistress Lane.

Number of Members, including non-investor membership:

Year Ending (31st March)	2021	2020	2019	2018	2017
Number of members at beginning of year	281	281	281	279	0
Number of members joining	34	1	0	2	279
Number of members leaving	3	1	0	0	0
Number of Members at end of year	302	281	281	281	279



Financial Summary

The financial summaries include those of the previous society which existed until April 2021.

The Net Assets of the Society comprise income into the society, from fees or other funding; investment capital from Share offer 1 in 2017; and expenditure on the housing projects. The latter mostly from grant, attributed to the Mistress Lane Project for work up to planning and this grant is recorded as a long-term liability figure.

We made small overall losses in the years up to 2020 as we developed the hub operation and laid the groundwork for the purchase of the CID flats and the early work on Mistress Lane. Grants for core operations and support fees brought positive figures from 2020-21, but a tail off of availability of community housing funding since 2021 has had an impact in our income more recently. Our current business plan is designed to ensure a transition to sustainability, and this share offer and the Mistress Lane project are a major part of this approach.

Interest on Share offer 1 was credited in the form of additional shareholding from 1 April 2021 and 2022. The Board also elected to credit interest to shareholdings in April 2023.

Future Share Offers

As referred to in our Business Plan, we fully envision future developments and their funding may well include future share offers and other financial borrowing and grant commitments. Inevitably these will change on the current long term financial forecasts in the current financial plan. We fully expect continuing to honour the forecast interest and withdrawal commitments to all existing shareholders.



Current landscape of the Mistress Lane site



Current landscape of the Mistress Lane site



Historic Share Capital

Our first share issue in 2017 successfully raised its target capital of £360,000, and is now financing our first homes in the Climate Innovation District with handover of the homes expected in two phases in 2023 and 2024.

We successfully navigated delays to the Climate Innovation District programme caused by regulatory changes and the COVID pandemic, engaging and consulting throughout with our shareholding membership who supported us growing our ambitions in other directions, including Mistress Lane. Because the original share issue exceeded its minimum raise, with the approval of our membership we have been able to allocate some of the first share capital into the Mistress Lane scheme. The share offer provided a rate of interest of 2%, credited to investors' shareholding, from April 2021 and each year since then. Interest paid in April 2023 was £7,347.

Share transactions financial year ending 31 March (£)	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
New share capital added during year (including interest credited)	7,226	7,686	4	0	0	7	362,010
Share capital withdrawn / cancelled during year	104	1620	6,300	2009	0	0	0
Closing Share balance	366,900	359,778	353,712	360,008	362,017	362,017	362,010





Society Funds

Financial position at year ending March

Society funds £	2023 (estd)	2022	2021	2020	2019	2018
Fixed assets	310,922	310,922	1,129	1,915	1,334	512
Net current assets	316,217	367,687	601,735	529,991	324,157	347,191
Long term liabilities (debt)	(313,990)	(310,922)	(199,717)	(194,009)	0	0
Share capital	366,900	359,778	353,712	360,008	362,017	362,012
Retained profits or losses	(51,470)	7,909	49,435	(24,026)	(36,526)	(14,309)

Use of Society Funds

In the table below, "Community benefit spend" is record as nil, as any surpluses are retained towards our primary objects of creating social housing and supporting. As a society we do carry out a certain amount of "pro-bono" activity in support of community led housing groups but this is not recorded in our accounts.

Financial position at year ending March

Use of society funds £	2023 (estd)	2022	2021	2020	2019	2018
Net profit (or loss) before share interest and community benefit	(52,153)	(33,840)	65,834	12,498	(22,217)	(8,452)
Interest rate on (eligible) share capital	2%	2%	0	0	0	0
Total share interest paid/credited to members	7,226	7,686	0	0	0	0
Community benefit spend	-	-	-	-	-	-



The Project: Armley Community Homes

The new Mistress Lane scheme will provide 34 new affordable community-led homes, in a mix of flats and family houses.

The site is a sloping grassed area of low amenity value lying between Mistress Lane and the A647 Armley Road. It is prominently located near to the busy hub of Town Street, and provides a prominent street frontage opportunity with parking kept to the rear in a private court.

Total 34 new homes comprising 87 bedspaces



6 x 3 bedroom family houses @ 92m²

8 x 2 bedroom flats @ 64m²

2 x 2 bedroom flats @ 75/80m²

8 x 1 bedroom duplex flats @ 58/59m²

10 x 1 bedroom flats @ 40/42m²

1 x multi-purpose community House (not a dwelling)

Specification

The houses and flats are designed to be modern, spacious and sustainable.³ A third of the homes are designed to enhanced accessibility standards meaning that they are suitable to be adapted as permanent homes for people with reduced mobility, and all the properties are built to be easily visitable and accessed by anyone.

³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1012976/160519_Nationally_Described_Space_Standard.pdf

Ecological impact and sustainability

The scheme has been designed from the outset to meet the AECB standard⁴ which uses Passivhaus principles to design to achieve 70% reduction in CO2 compared to building regulations, with high airtightness and effective levels of insulation paramount in the design and build ("Fabric First").

The energy approach also includes solar panels (PV), air source heat pumps and mechanical ventilation with heat recovery (MVHR) systems for all dwellings. All of these measures mean that the homes will have a much lower carbon impact than most new and existing buildings, and residents will see this benefit in lower energy bills.

⁴<https://aecb.net/aecb-building-certification/>

Community House

The proposals provide an accessible, flexible shared internal space in the centre of the scheme which will be managed by the community, and this provides place for local events, hobbies, meetings and will be a great community resource.





CA1 Potential Growing Space

CA3 Potential Area of Increased Biodiversity

CA4 Potential Natural Play

CA2 Potential Social Space

Community Landscape

The community landscape is at the heart of our vision for the site, providing opportunity for local residents to shape the environment and provide different areas for instance safe play space, planting and productive gardens; areas for active amenity; quiet reflective





Consultation and Involvement

We have engaged extensively with the community and local stakeholders; we have formed a Stakeholders Core group to help guide and community's involvement in the development process, which we hope to include training and employment opportunities.

Tenure, Community and Allocation

All the homes will be developed for Social Rent, and residents will be prioritised according to local and community connection in addition to housing needs. The allocation process will allow an early involvement and engagement period for residents to interact and influence the homes as they are being built, and to develop the community which will live there.

All new residents will become Members of Leeds Community Homes and there will be a Residents Management Organisation which will make key decisions about how the scheme is run and managed.

A community owned landscape

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Architect's Visualisation of Street View from Mistress Lane, Looking West
© Bauman Lyons



Architect's Visualisation of Street View from Mistress Lane, Looking East
© Bauman Lyons

Architect's Visualisation of aerial view
© Bauman Lyons



Architect's Visualisation of view from A64
© Bauman Lyons



Impacts: Armley, Community and Social Impact of Investment

The Mistress Lane development will have deep social impact, both within the community but also in the wider region. Armley is an area of high social deprivation⁵ where many cannot afford local living costs. Previous developers have been unsuccessful in bringing forward viable plans for the site.

The most recent Index of Multiple Deprivation indicates that the ward of Armley is one of the most deprived areas in England (the specific LSOA area of the scheme is 1st decile in IMD2019⁶ at rank 1,773, and is directly adjacent to an area which is in the lowest 1% nationally).

⁵The scheme is located in the 1st Decile of the Index of Multiple Deprivation- Index of Multiple Deprivation, LSOAs by Decile Armley 2019 <https://observatory.leeds.gov.uk/deprivation/>

⁶IMD 2019: E01011293 Mistress Lane, Nancroft Lane, Brooklyns, Models

Armley Community Homes – Our Next Step!

By creating these homes as a Community Land Trust, Leeds Community Homes can:

- Provide the local affordable homes that people need
- Empower the residents to make key decisions about how their community is managed and maintained;
- Give community a stake through membership and community ownership
- Provide the stepping stone for us to create future new homes in Leeds and Yorkshire



Social Impact of the new scheme

Positive local social impacts from the new project:

- Local confidence and community pride: The site is prominently visible so will be a visible symbol of positivity in Armley.
- A positive indicator of financial investment in an area. Will stimulate to stimulate additional investment and improve economic confidence.
- Training and Job Creation: Local labour and training commitments associated with the project
- Associated improvements to local infrastructure
- Regeneration of an unused site, and removal of a source of antisocial behaviour
- Improvements to the public realm benefits to all local residents



Local affordability

Type	Description	Open Market Values	Number	Social Rent per Week (Adjusted to 2026-27)	Local Housing Allowance Rate (2023)
Duplex	1b2b	£130,000	8	£111.19	£120.82
Apt 1	1bf	£95,000	8	£102.84	£120.82
Apt 2 2b	2bf	£135,000	4	£119.83	£136.93
Apt 2 1b	1bf	£95,000	2	£101.64	£120.82
Apt 3 2b	2bf	£135,000	4	£120.11	£136.93
3bh	3bh	£225,000	6	£145.66	£161.10
Apt CC 1	2bf	£140,000	1	£121.32	£136.93
Apt CC2	1bf	£140,000	1	£121.32	£136.93

Impact Story

Local people tell us that there is a shortage of good quality, affordable housing within Armley, meaning that many people live in inadequate conditions or are forced to move out of the area despite local connections such as family, employment and schools. Local housing waiting lists are long even for priority cases. (Priority A waiting average waiting time in or near Armey is 18 months to 2 years depending on household).

Armley has suffered from a lack of new investment by private and social developers, and like many parts of Leeds, has lost many social rented homes to Right to Buy (c. 35,000 homes in Leeds since 1980).

This scheme represents a significant regeneration statement for the area, demonstrating local investment and creating transformative opportunities for local people in housing need to live in high quality affordable, accessible and sustainable new homes.

The homes we are creating are mostly for small households (one and two bedrooms) because this is what local demand figures tell us is the priority; however local consultation also informed us that there was a need for decent family homes so we have included plans for 6 three-bed houses as part of the scheme.

How we will deliver the homes

Current Status

The project has planning consent and has been designed to and ready for Tender.

Terms of land purchase are agreed in principle subject to Executive Approval by Leeds City Council

Indicative Offer of Project Finance is in place from Ecology Building Society:

- Development loan: £2.2m over 2 years at 6.5% variable rate
- Long term loan: £1.95m over 40 years at 6% variable rate

A bid for Approved Housing Programme funding via Homes England has been lodged for primary project capital funding; this is dependent on registration as a Provider of Social Housing by the Regulator.

Once funding is in place, the project will be tendered with a view to starting construction in early 2024.



Mistress Lane – Pre development timeline

	2023				2024			
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April
Share Offer	█							
HE Bid	█							
Finalise RP status		█						
Confirm Finance				█				
Finalise Land contract		█						
Acquire site				█				
Tenders				█				
On Site							█	





Architects: Bauman Lyons

Landscape Design: Urban Wilderness

Employers Agent: Crowther Turnbull Booth

Civil Engineers: Adept Ltd

Building Services Engineer: Energy Unique Ltd

Solicitors: Wrigleys Solicitors

Client Project Management: Jimm Reed

Principal Designer: Nigel Bullock, Thornton Assocs Ltd

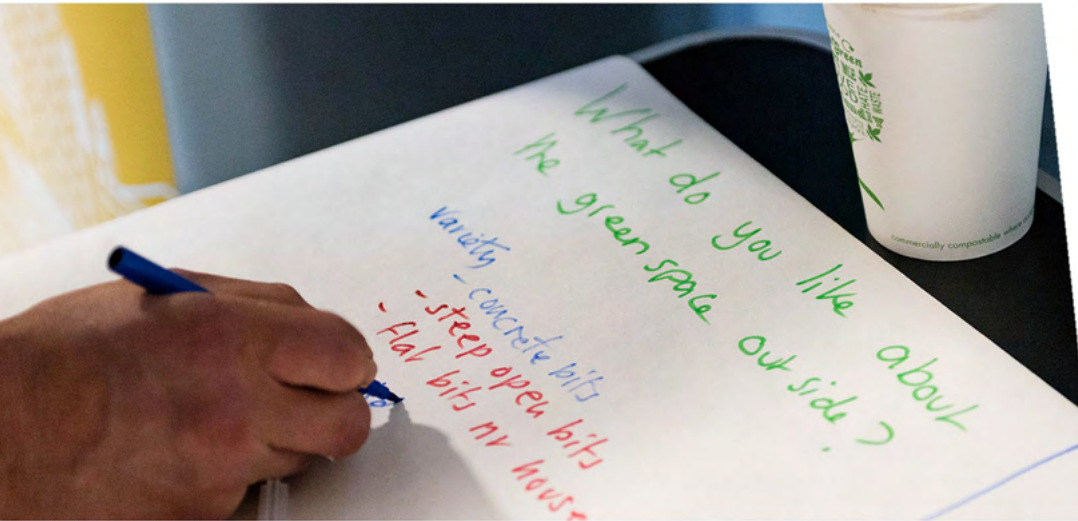
Team

We have assembled an expert professional team to deliver the project. Exclusively locally based, this is a team with extensive experience of completing innovative and complex affordable housing projects.

For more info see Appendix 2

Project Risk

Leeds Community Homes has evolved a robust risk management plan associated with the project and this can be found in detail in the Business Plan, or separately in Appendix 3.



Project Financials

Development Costs

Costs up to planning and tender have been met by grants from Locality, Power to Change and the Community Housing Fund. Construction period will draw on capital grants from Homes England AHP and Leeds City Council Commuted Sums.

The above capital grants subject to confirmation of the successful registration of Leeds Community Homes as Registered Provider of Social Housing. Leeds Community Homes will invest reserved share capital from the original community share offer totalling £150,000.

The remaining development period will be financed by a development loan (or loans) of up to £2.5m of peak debt. This will be converted into a long-term loan of around £2m which will be paid back over a 40-year term. An indicative offer of lending has been received which matches the assumed terms.

Working capital is not assumed within the capital requirements table as short term management costs will be met by our housing management partners and invoiced against our rental income. Any small scale costs will be met from organisational cash reserves.

Project Costs

Build Cost (budget)	£5,185,000
Land Cost (agreed in principle)	£100,000
Fees & on costs (budget)	£640,000
Development Borrowing costs (est'd based on programme)	£75,000
TOTAL SCHEME COSTS (approx.)	£6,000,000

Notes

Equates to c. £2400 per m2, and includes a 5% contingency.

Agreed with Leeds City Council for the site purchase

Mainly firm quotes. £385,000 has been spent on fees to reach the

Interest has been assessed from programme forecast including

All Project works and on costs shown here will be capitalised.

Finance and Funding

Stage	Design, planning & tender	Construction	Overall
Grants	£385,000	£3,026,000	£3,411,000
Contribution from Share Offer 1	0	£150,000	£150,000
New Shares	-	£500,000	£500,000
Loans	0	£1,939,000	£1,939,000
Total Capital Requirement	£385,000	£5,615,000	£6,000,000

£385,000 already received in revenue funding

- Original share offer exceeded minimum by over £150,000;
- At AGM members have supported investment of original share capital into Mistress Lane;
- The additional £150,000 will be borrowed as part of the CID scheme, but the financial circumstances of CID are such that it can support additional loan. This amounts to an internal subsidisation of Mistress Lane by the CID projects.

Commercial long term loan is at an in-principle stage with Ecology Building Society. Terms are 6% variable rate over 40 years.

Total costs rounded.

Raise Scenarios

£	Share Raise	Loan	Year 1 loan costs	Year 1 Surplus	Loan rental cover	Surplus pays off loan by year
Minimum Raise	300,000	2,139,226	(150,291)	9,498	1.24	22
Optimum Raise	500,000	1,939,226	(136,240)	23,549	1.37	19
Maximum Raise	750,000	1,689,226	(118,676)	41,113	1.58	18

Assumptions: (Borrowing Rate 6.50%) (net rent 158,789)

In the event of minimal raise (and absence of additional funding to fill the gap) we will increase loan finance to bridge the gap. If we achieve the maximum raise, our loan will be reduced accordingly. Financial projections of the maximum and minimum scenarios are available to view in the Business Plan.

Group Financial Forecasts

The following tables are abstracts of the full financial statements which are available in the Business Plan.



Society Funds	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Fixed assets	310,922	310,922	827,996	3,865,578	6,537,967	6,426,829	6,315,690	6,204,551	6,093,413	5,982,274
Net current assets	367,687	316,217	1,670,807	596,228	63,256	108,040	177,345	232,479	293,799	356,268
Long term liabilities (debt)	(310,922)	(313,990)	(1,667,607)	(3,451,008)	(5,639,100)	(5,575,475)	(5,510,967)	(5,445,979)	(5,380,463)	(5,314,366)
Share capital	359,778	366,900	865,066	863,240	861,424	850,581	840,064	808,860	778,685	749,795
Retained profits or losses	7,909	(51,470)	(31,589)	149,839	102,981	111,093	144,285	184,472	230,345	276,662

Use of society funds	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Net profit (or loss) before share interest and community benefit	(33,840)	(52,153)	27,219	188,729	(39,593)	40,340	65,204	71,988	77,300	76,766
Interest rate on (eligible) share capital (S01)	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Total share interest paid/credited to members	7,686	7,226	7,338	7,301	7,265	7,228	7,012	6,801	6,427	6,074
Interest rate on (eligible) share capital (S02)	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Total share interest paid/credited to members						25,000	25,000	25,000	25,000	24,375
TOTAL Share interest credited	7,686	7,226	7,338	7,301	7,265	32,228	32,012	31,801	31,427	30,449
Share Withdrawal Rate	2.5%	2.5%	2.5%	2.5%	2.5%	5.0%	5.0%	7.5%	7.5%	7.5%
Share Redemptions to members		(104)	(9,173)	(9,127)	(9,081)	(43,071)	(42,529)	(63,005)	(61,602)	(59,339)

Please note that 2023 figures are estimated



Narrative

Income over the next few years for the Society is projected from the following sources:

1. Surpluses from consultancy and group support work carried out primarily through People Powered Homes (wholly-owned subsidiary). Generally these provide a small surplus with the exception of a small projected loss in 2024 (mainly due to committed costs on the long term BAME research project on which grant income has mostly been received in earlier accounting periods).
2. Projected sales income of shared ownership homes as part of CID phases 1 and 2 in 2024 and 2025, amounting to £250,000 and £322,00 in respectively.
3. Annual rental surpluses from CID1 and CID2, from 2024 and 2025 respectively, after management, maintenance costs assumptions, and allowing for voids/bad debts. As these start in September of each year the first year of income for each is only around 1/3. By 2026 when both schemes should be providing a full year of income the net surplus from the CID schemes is £43,111 after loan repayments but before any shareholder withdrawals (first share offer). The rental units will service loans of £416,000.
4. During the Construction period of Mistress Lane (mainly 2025 and 2026) we anticipate capital grant income of around £3,026,000 and overall loan of £1,933,878. From 2027 we will see net rental surpluses (after voids, management, maintenance and loan repayment) of £42,314.
5. Withdrawal rate of 2.5% of total current shareholding based on the current shareholding is projected to be increased to 5% from 2026-27 at which point shares in the second offer may be redeemed. The withdrawal limit is projected to be increased to 7.5% of total shareholding from 2030.
6. Interest on share offer 2 is offered from 2026-27 onwards at a maximum rate of 5%.

In terms of the financial statements, asset value increases from 2024- 2026 as we acquire property. Depreciation is tallied over 60 years. Liabilities also increase in line with the loan commitments and capital grants over the development period and the loans will be repaid over 40 years while grants are amortized over 60 years.

The financial projections assume completion of works on Mistress Lane in late 2025-26 so the first full year of operation is from 2026-27 onwards. There is a small accounting loss in 2026 (due to first year of depreciation) but this is overturned in 2027 with a full year of rental surplus from Mistress Lane. It is therefore during the 2027 financial year that we can start to credit interest on the second share offer and we are able to afford withdrawals in line with our policy. In future projections net profits continue to increase providing headroom for meeting our commitments on interest and withdrawals on both sets of shares.

Running Costs

We are working with Unity Housing Association to carry out management and maintenance services on the properties over the first few years of operation as it will not be viable to have in place the necessary capacity and skills immediately and with a small number of properties. We will look to organically build up this capacity with Unity's help over the coming years. Accordingly we are not allowing for significant increases to our back office costs in the next 5 years. As our present developments come to completion we expect to identify future projects to follow; however as these are not financially modelled in this business plan, the current salary of the Development Director role is tailed off from currently 4 days per week to 1 day per week between 2026-2027 and the staff capacity for delivering future projects will need to be met as part of a future business plans.

Share Offer Information

You can invest online at
www.crowdfunder.co.uk/leeds-community-homes

How to Apply

Crowdfunder is managing the share administration. It is an online investment platform, which makes positive investing easy to understand and easy to do.

This paperless process is the most efficient method for investing. You will need to complete various steps to register, where eligibility checks will apply, before you can invest. The final decision to approve each application is at the discretion of the Board of LCH. If you have any problems, or need help, then please email info@leedscommunityhomes.org.uk

All monies invested through the Crowdfunder platform will be held by their provider Stripe, in a separate account.

If, for any reason you are unable to use the Crowdfunder site to invest please contact us to discuss.



Withdrawable Shares

Community Shares are Withdrawable and non-transferable. These shares cannot be sold or traded to someone else, but can be withdrawn subject to the Rules of the Society up to 5% of total society shareholding (at the start of that year) to be withdrawn per year from year 4 (2027-2028). We plan to raise the withdrawal limit to 7.5% from 2029-30 onwards subject to the Trustees considering that this is financially viable. See our Share Withdrawal Policy for more details.

Shares cannot be sold, transferred, or exchanged (except on death or bankruptcy) or traded on any Stock Exchange and there is no possibility that they will increase in worth beyond their nominal value; in certain circumstances, subject to the Rules of the Society they can reduce in value.

Although shares are withdrawable, you may not be able to withdraw your shares if the Society does not have sufficient funds available at the time you wish to withdraw them or if the Directors have otherwise suspended the right to withdraw at that time.

Withdrawal of shares are subject to 3 months' notice.

Investors should note that Trustees may vary the Withdrawal Policy from time to time depending on financial constraints of the Society and this may mean that full shareholdings may not be withdrawable over the lifetime of the financial plan.

Interest

Interest will be credited in the form of additional shareholding, and will be credited annually from 1st April 2026. This is at the discretion of the Board.

We are offering a headline maximum interest rate of 5%, but we also encourage those who do not need a higher return to elect for a 3%, or even a 0% rate, as shareholdings with a lower rate of interest will better support our long-term finances development. You can choose the interest rate when you apply to invest.

Minimum and maximum investments

The minimum amount that can be invested by an individual in this share offer is £100. Shares are available to be purchased in £100 instalments. The maximum amount that can be invested by an individual is £50,000.

Organisations, who may be seeking to invest larger amounts should contact Leeds Community Homes directly at info@leedscommunityhomes.org.uk to discuss this further.



Data protection & Privacy

LCH will hold your data in line with the privacy policy. We will maintain your information in strictest confidence but in certain circumstances we may be required to share certain information with third parties such as HMRC.

This is in addition to any information provided to Crowdfunder while registering to use their site, for which they will act as Data Controller until such time as you cancel your account with their site. Their policy can be found here: www.crowdfunder.co.uk/privacy-policy. Crowdfunder may also require additional documents to be provided as part of their anti-money laundering processes.

Share Offer Contingency

If funding of the scheme, or the land purchase is not achieved for any reason, the project may not proceed.

Therefore, share capital will be ringfenced and no expenditure of the share capital will be incurred prior to funding approval and acquisition of secure interest in the site by Leeds Community Homes. If the project is unable to proceed, the share capital is protected and can be refunded to investors.

If our maximum target is met prior to the completion of the issue period the share offer will be closed.

If our minimum target is not achieved by the end of the offer, all investments will be refunded.

FAQ

Who can invest?

This offer is open to applications from individuals (over 18) and organisations which support the mission and objects of Leeds Community Homes.

Leaving shares in your will

Shareholding up to £5000 can be left to anyone over 18 without probate by completing a nomination form available at www.leedscommunityhomes.org.uk/share-offer-2023. Unnominated shareholding or amount beyond £5000 can be dealt with in your will as part of your estate and may be withdrawn by beneficiaries in line with our Withdrawal policy.

Why is there a limit to withdrawals?

We need investment to support us over an extended period of time. As time passes, we expect our cash and asset position to become stronger, which permits us to repay more of the initial investment, but if everyone wanted their money out at an early stage we could not afford to pay everyone and the business would fail. Please see our withdrawals policy for more detail.

What influence do I have as an investor?

Leeds Community Homes a community benefit society. This is a democratic structure which provides all members – however much or however little they have invested – with an equal say in decisions at General Meetings.

Will investing give me a better chance of getting a new home?

Sorry, no. Investment in Leeds Community Homes' share offer does not guarantee or improve a person's chances of being housed in one of the homes that we develop. Homes owned by Leeds Community Homes will be allocated according to a needs-based Housing Allocation Policy.

What happens if Leeds Community Homes becomes insolvent?

In the event of Insolvency, once Leeds Community Homes becomes a registered provider of Social Housing; after provision for the satisfaction of all its debts and liabilities and the repayment of its share capital to its shareholders at nominal value, the value of the remaining assets of Leeds Community Homes will be transferred to either the Regulator of Social Housing, or to a charitable registered provider directed by the Regulator, or approved by the Regulator on the basis of having objects similar to, Leeds Community Homes' objects.

If insolvency was prior to Registration, after satisfaction of debts, liabilities and share capital, remaining assets and property would be transferred to such other charity in law having objects compatible with those of Leeds Community Homes, as proposed by the Trustees and approved by the Members at a General Meeting.

Are there any hidden charges?

There are no charges made on your investment, but the costs of attracting more finance, and of running and growing Leeds Community Homes, will be paid for by the business.

Useful Links

To access the links below, visit
www.leedscommunityhomes.org.uk/share-offer-2023

Appendix 1 LCH Team

Appendix 2 Delivery Team

Appendix 3 Risk Plan

Business Plan

LCH Accounts 2020 (old society)

LCH Accounts 2021 (old society)

LCH Accounts 2022 (new society)

LCH Rules (New society, formerly Community Homes Yorkshire Ltd)

Transfer of Engagements (1 April 2021 from LCH to Community
Homes Yorkshire Ltd)

Change of Name (1 April 2021 name swap Community Homes
Yorkshire Ltd to Leeds Community Homes Ltd)

Share Withdrawal Policy

Nomination Form



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Join the #peoplepoweredhomes revolution

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