

Nudge Community Builders

**Annual Report and Unaudited Financial Statements
Year Ended 31 March 2021**

Registration number: RS007632

DRAFT

Nudge Community Builders

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Nudge Community Builders

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors of the society

The directors who held office during the year were as follows:

Wendy Hart - Company secretary and director

Hannah Sloggett

Patrick Knight

Susan Johns

Mary Embleton

Andi Higginson

Objectives

The Society was formed for the benefit of the community in the city of Plymouth and the surrounding area. The Objects of the Society are to further the social, economic and/or environmental interest of people who have lived and/or have worked, or who now live and/or work, or who want to live and/or work, in the area of benefit by some or all of the following means:

- a. Promoting, facilitating, supporting and developing community-led initiatives aimed at regenerating the area of benefit, including but not limited to housing, property development, community facilities, community businesses and renewable energy.
- b. Providing information, advice, assistance, training, support, facilities, amenities and service incidental to the provision and promotion of community-led regeneration initiatives.
- c. Promoting arts and culture in the area of benefit.
- d. Relieving poverty and hardship in whatever ways the directors think fit, and
- e. Carrying out any other activity that the directors consider would be in the social, economic and environmental interests of the area of benefit.

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Directors' Report for the Year Ended 31 March 2021

Business Review

Due to the pandemic and subsequent closures and reduced confidence, Nudge lost all our income through events and day/evening hire uses in our buildings, we also experienced reduced income;

- in the Plot (80 - 84 Union Street) we lost 75% of income, £16,000 because tenants delayed signing their leases,
- in the Clipper we lost £10,400 of our income from lost hire charges and café rental income because both tenants sharing the café pulled out
- a new tenant in The Millennium was ready to sign a lease for £11,500 or £2,875 in this financial year (Jan 21 - Jan 22) but became cautious due to the lock-down restrictions and pulled out; another tenant was offered a deal they can't refuse from their current landlord which meant we lost out on £19,000 or £4,750 of rent (Jan 21 - Jan 22); an event that would have given us £3,000 (Nov 20) in hire charges was cancelled in the Millennium and a new tenant delayed their plans for a £30,000 a year lease (or £7,500 in this financial year) as a result of uncertainty with their business due Covid 19 (from Jan 21 - Dec 22).
- In total we have lost £26,400 due to Covid 19 in actual income and £15,125 in loss of new tenants and rental income in the Millennium.

When our cash flow allowed we passed on grant support we had received - we provided £7,000 of support to commercial tenants in The Clipper and The Plot and paid local businesses in advance that were struggling alongside us during the first lockdown.

It has cost us more to keep our buildings open ensuring we were covid-compliant with staff working in bubbles and supported tenants and visitors, so they were safe while restrictions were in place.

During the first lock-down we built on our partnership with Plymouth University and local business to create very local social impact supporting inclusive growth:

- We offered free wi-fi to give our very local community access to wi-fi which was used by 2,400 unique users in a 4 month period. We have continued this offer and have plans to extend the free wi-fi into North Stonehouse (making use of the Millennium roof).
- we piloted a partnership with Borrow Don't Buy re-cycling digital devices for local people and families which we are continuing to offer. This enabled people to access health services, apply for benefits and apply for jobs and for children to access on-line teaching while schools were closed. During this financial year we re-cycled 75 digital devices
- We worked with Plymouth Octopus Project to provide a telephone care support network for local people to ring in and ask for help to do their shopping or pick up their medication from local pharmacies and we rang people on our List of Love to ensure they had everything they needed.

Nudge Community Builders

Directors' Report for the Year Ended 31 March 2021

Small societies provision statement

This report has been prepared in accordance with the special provisions relating to societies subject to the Co-operative and Community Benefit Societies Act 2014.

Society Status

The Society is incorporated with Limited Liability under the Co-operative and Community Benefit Societies Act 2014.

Approved by the Board on and signed on its behalf by:

.....
Wendy Hart
Company secretary and director

.....
Hannah Sloggett
Director

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Nudge Community Builders

Profit and Loss Account

Year Ended 31 March 2021

	31 March 2021 £	31 March 2020 £
Turnover	39,196	32,505
Cost of sales	<u>(166,017)</u>	<u>(124,066)</u>
Gross loss	(126,821)	(91,561)
Administrative expenses	(101,522)	(52,125)
Other operating income	<u>326,586</u>	<u>146,761</u>
Operating profit	<u>98,243</u>	<u>3,075</u>
Interest payable and similar expenses	<u>(9,534)</u>	<u>(4,680)</u>
	<u>(9,534)</u>	<u>(4,680)</u>
Profit/(loss) before tax	88,709	(1,605)
Taxation	<u>(22,062)</u>	<u>(674)</u>
Profit/(loss) for the financial year	<u><u>66,647</u></u>	<u><u>(2,279)</u></u>

Nudge Community Builders

Balance Sheet

31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Tangible assets	4	697,300	253,965
Current assets			
Debtors	5	19,750	22,814
Cash at bank and in hand		130,841	20,113
		<u>150,591</u>	<u>42,927</u>
Creditors: Amounts falling due within one year	6	<u>(541,855)</u>	<u>(55,183)</u>
Net current liabilities		<u>(391,264)</u>	<u>(12,256)</u>
Total assets less current liabilities		306,036	241,709
Creditors: Amounts falling due after more than one year	6	(24,000)	(36,000)
Provisions for liabilities		<u>(6,566)</u>	<u>(1,814)</u>
Net assets		<u>275,470</u>	<u>203,895</u>
Capital and reserves			
Called up share capital	8	208,428	203,500
Profit and loss account		<u>67,042</u>	<u>395</u>
Total equity		<u>275,470</u>	<u>203,895</u>

The notes on pages 7 to 12 form an integral part of these financial statements.

Nudge Community Builders

Balance Sheet

31 March 2021

For the financial year ending 31 March 2021 the Community Benefit Society was entitled to exemption from audit under the Co-operative and Community Benefit Societies Act 2014.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to the Co-operative and Community Benefit Societies Act 2014.

Approved and authorised by the Board on and signed on its behalf by:

.....
Wendy Hart
Company secretary and director

.....
Hannah Sloggett
Director

Company Registration Number: RS007632

Nudge Community Builders

Notes to the Unaudited Financial Statements

Year Ended 31 March 2021

1 General information

The Community Benefit Society is a registered society, incorporated in England and Wales.

The address of its registered office is:

Union Corner
96 Union Street
Plymouth
PL1 3EZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the entity will continue in operational existence for the foreseeable future.

Nudge Community Builders

Notes to the Unaudited Financial Statements

Year Ended 31 March 2021

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 April 2020 and have had an effect on the financial statements:

Depreciation

During the year the directors changed the depreciation policy for Freehold and Leasehold Property from 1% up to 2% Reducing Balance as they felt this was more appropriate for the properties held.

	Relating to the current period disclosed in these financial statements	Relating to the prior period disclosed in these financial statements	Relating to periods before the prior period disclosed in these financial statements
	£	£	£
Fixed Assets	7,005	-	-
Depreciation of Freehold and Leasehold Property	<u>(7,005)</u>	<u>-</u>	<u>-</u>

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Community Benefit Society's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the society.

The Community Benefit Society recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Community Benefit Society's activities.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Nudge Community Builders

Notes to the Unaudited Financial Statements

Year Ended 31 March 2021

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	2% Reducing balance
Plant and machinery	25% Reducing balance

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Financial instruments

Classification

The Community Benefit Society holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The Community Benefit Society has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the Community Benefit Society becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the society's obligations are discharged, expire or are cancelled.

3 Staff numbers

The average number of persons employed by the Community Benefit Society (including directors) during the year, was 4 (2020 - 4).

Nudge Community Builders

Notes to the Unaudited Financial Statements

Year Ended 31 March 2021

4 Tangible assets

	Land and buildings £	Other tangible assets £	Total £
Cost or valuation			
At 1 April 2020	254,063	10,830	264,893
Additions	451,930	9,038	460,968
At 31 March 2021	705,993	19,868	725,861
Depreciation			
At 1 April 2020	5,555	5,373	10,928
Charge for the year	14,009	3,624	17,633
At 31 March 2021	19,564	8,997	28,561
Carrying amount			
At 31 March 2021	686,429	10,871	697,300
At 31 March 2020	248,508	5,457	253,965

Included within the net book value of land and buildings above is £645,688 (2020 - £248,508) in respect of freehold land and buildings and £40,741 (2020 - £Nil) in respect of long leasehold land and buildings.

5 Debtors

	31 March 2021 £	31 March 2020 £
Trade debtors	7,426	15,209
Prepayments	1,875	3,750
Other debtors	10,449	3,855
	19,750	22,814

Nudge Community Builders

Notes to the Unaudited Financial Statements

Year Ended 31 March 2021

6 Creditors

Creditors: amounts falling due within one year

	Note	31 March 2021 £	31 March 2020 £
Due within one year			
Loans and borrowings	7	297,000	12,000
Trade creditors		1,653	-
Taxation and social security		21,271	2,613
Accruals and deferred income		220,245	40,052
Other creditors		1,686	518
		<u>541,855</u>	<u>55,183</u>

Creditors: amounts falling due after more than one year

	Note	31 March 2021 £	31 March 2020 £
Due after one year			
Loans and borrowings	7	<u>24,000</u>	<u>36,000</u>

Nudge Community Builders

Notes to the Unaudited Financial Statements

Year Ended 31 March 2021

7 Loans and borrowings

	31 March 2021 £	31 March 2020 £
Loans and borrowings due after one year		
Other borrowings	<u>24,000</u>	<u>36,000</u>

	31 March 2021 £	31 March 2020 £
Current loans and borrowings		
Other borrowings	<u>297,000</u>	<u>12,000</u>

8 Community shares

Allotted, called up and fully paid shares

	No.	31 March 2021 £	No.	31 March 2020 £
Community Shares of £1 each	<u>208,428</u>	<u>208,428</u>	<u>203,500</u>	<u>203,500</u>

The Society can issue Community Shares to its members in order to fund its business. Community Shares are not withdrawable except with written consent of the Society. The Society Board can pay interest up to a maximum of 3.6%. Community Shares do not have any voting rights.

9 Reserves

We have adopted a reserves policy of three months operating costs amounting to £38,000.

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £69,600 (2020 - £85,067), which relates to a ten year lease agreement at 80-84 Union Street (The Plot).

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Detailed Profit and Loss

Year Ended 31 March 2021

	2021 £	2020 £
Turnover		
Consultancy	11,532	19,183
Sales	27,664	13,322
	<u>39,196</u>	<u>32,505</u>
Cost of sales		
Direct costs	24,584	21,065
Wages and salaries	141,433	103,001
	<u>(166,017)</u>	<u>(124,066)</u>
Gross loss	<u>(126,821)</u>	<u>(91,561)</u>
Gross profit (%)	(323.56)%	(281.68)%
Administrative expenses		
Administrative expenses	101,522	52,125
Other operating income		
Rent receivable	18,446	3,060
Grants and subsidies receivable	308,140	143,701
	<u>326,586</u>	<u>146,761</u>
Operating profit	98,243	3,075
Interest payable and similar charges		
Interest expense on other finance liabilities	(9,534)	(4,680)
Profit/(loss) before tax	<u>88,709</u>	<u>(1,605)</u>

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Detailed Profit and Loss

Year Ended 31 March 2021

	2021 £	2020 £
Administration costs		
Wages and salaries	364	-
Staff training	1,304	800
Rent and rates	22,247	6,110
Light, heat and power	10,261	4,934
Insurance	2,851	2,129
Repairs and maintenance	19,356	8,757
Telephone	2,013	898
Printing, postage and stationery	806	470
Subscriptions and software	35	760
Sundry expenses	268	89
Cleaning	3,594	1,776
Travel and subsistence	-	2,359
Advertising, marketing and events	9,147	12,389
Staff entertaining	225	428
Accountancy fees	2,966	2,780
Consultancy fees	-	(1,887)
Legal and professional fees	6,611	4,231
Bad debts written off	1,731	690
Bank charges	110	83
Depreciation of freehold property	13,177	2,510
Depreciation of long leasehold property	832	-
Depreciation of plant and machinery	3,624	1,819
	<u>101,522</u>	<u>52,125</u>

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Nudge Community Builders

Year Ended 31 March 2021

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the accounts of Nudge Community Builders for the year ended 31 March 2021 as set out on pages 4 to 12 from the Community Benefit Society's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/membership/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors and Members of Nudge Community Builders, as a body, in accordance with the terms of our engagement letter dated 13 December 2018. Our work has been undertaken solely to prepare for your approval the accounts of Nudge Community Builders and state those matters that we have agreed to state to the Board of Directors of Nudge Community Builders, as a body and by the members at the AGM, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nudge Community Builders and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Nudge Community Builders has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Nudge Community Builders. You consider that Nudge Community Builders is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Nudge Community Builders. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Francis Clark LLP
Chartered Accountants
North Quay House
Sutton Harbour
Plymouth
PL4 RA

Date:.....