

V22 Foundation

(A company limited by guarantee)

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2019

V22 Foundation

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Company Information

Directors

K T Cranswick
D Rosenberg
F Stapleton
S R N Higgs
D I Rowett

Registered office

10 - 16 Ashwin Street
London
E8 3DL

V22 Foundation

(Registration number: 07590502)
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	328,738	345,112
Current assets			
Debtors	<u>6</u>	106,057	8,950
Cash at bank and in hand		48,333	2,652
		154,390	11,602
Creditors: Amounts falling due within one year	<u>7</u>	(122,353)	(113,960)
Net current assets/(liabilities)		32,037	(102,358)
Total assets less current liabilities		360,775	242,754
Creditors: Amounts falling due after more than one year	<u>7</u>	(145,866)	-
Net assets		214,909	242,754
Reserves			
Income and expenditure account		214,909	242,754
Total equity		214,909	242,754

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; 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 delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Statement of Comprehensive Income has been taken.

Approved and authorised by the Board on 26 January 2021 and signed on its behalf by:

K T Cranswick
Director

V22 Foundation

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 General information

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

The address of its registered office is:
10 - 16 Ashwin Street
London
E8 3DL

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.

The presentation currency of the financial statements is pound sterling (£).

Going concern

The financial statements have been prepared on a going concern basis. The directors secured a funding loan in the period for the sum of £200,000 repayable over a period of five years. Also following the outbreak of COVID-19, the company received local authority grants of £75,000 to support the operation of three of its libraries. This in the directors opinion has secured the company's financial position and they are confident that it will continue as a going concern for the foreseeable future.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover represents net invoiced sales of goods and services, excluding value added tax.

The company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the company's activities noted below.

Grant and sponsorship income:

Grants are recognised in accordance with the stated accounting policy for grants. Sponsorship income is recognised on a received and receivable basis.

Community project management services:

The company provides local community project management services on a not for profit making basis which are recognised by reference to agreed contract sums and stage of completion.

Rental income:

Rental income from the letting of studios under licence is recognised on a straight-line basis over the term of the hire period.

Community events:

Event revenues are recognised by reference to the date of the event.

Grants

Grants relating to revenue costs are credited to income in line with relevant cost and is included in turnover. Grants to be matched with expected future costs are carried forward as deferred income.

Grants received as a contribution towards expenditure on fixed assets is recognised in income when the grant is received or receivable subject to there being no performance related conditions. Where performance related conditions exist, income is recognised in income only when the conditions are met.

Tangible assets

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

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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

Land and buildings

Furniture, fittings and equipment

Depreciation method and rate

Long leasehold premium over the term of the lease; Long leasehold improvements
2% on cost or term of the lease if shorter;
short term lease improvements over the
term of the lease

33 1/3% on cost per annum

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

In the event lease incentives are received to enter into the operating lease, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 3 (2018 - 6).

4 Loss before tax

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	6,993	10,132

5 Tangible assets

	Long leasehold land and buildings £	Short leasehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2019	346,149	17,531	3,245	366,925
Additions	-	969	-	969
Disposals	-	(16,582)	-	(16,582)
At 31 December 2019	346,149	1,918	3,245	351,312
Depreciation				
At 1 January 2019	13,417	6,232	2,164	21,813
Charge for the year	5,734	178	1,081	6,993
Eliminated on disposal	-	(6,232)	-	(6,232)
At 31 December 2019	19,151	178	3,245	22,574
Carrying amount				
At 31 December 2019	326,998	1,740	-	328,738
At 31 December 2018	332,732	11,299	1,081	345,112

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

6 Debtors

	2019 £	2018 £
Trade debtors	7,355	5,794
Amounts owed by group undertakings and undertakings in which the company has a participating interest	63,882	-
Prepayments	3,163	1,100
Other debtors	31,657	2,056
	<u>106,057</u>	<u>8,950</u>

7 Creditors

Creditors: amounts falling due within one year

	2019 £	2018 £
Due within one year		
Trade creditors	47,919	72,818
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	8,496
Taxation and social security	-	5,469
Accruals and deferred income	15,933	12,527
Other creditors	58,501	14,650
	<u>122,353</u>	<u>113,960</u>

Creditors include other creditors which are secured over the company's long leasehold property of £38,333 (2018: £nil).

Creditors: amounts falling due after more than one year

	2019 £	2018 £
Due after one year		
Loans and borrowings	<u>145,866</u>	<u>-</u>

Creditors include other creditors which are secured over the company's long leasehold property of £145,866 (2018: £nil).

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019 (continued)

8 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 £1,200,000 (2018 - £Nil).

9 Related party transactions

Summary of transactions with key management

Included within debtors due within one year:

- Receivable from V22 Communities £29,446 (2018: £nil)
- Receivable from V22 London Limited £62,882 (2018: £(8,496))

Both comprise short term funding loans repayable on demand and non interest bearing. They are related by virtue of common directorship.

10 Non adjusting events after the financial period

Subsequent to the balance sheet date, the UK's economic outlook has deteriorated as a consequence of the COVID-19 pandemic and the measures taken by the government to control the spread of the virus. The company's activities have been significantly disrupted with the temporary closure of its libraries and community facilities. The company has gained support via local authority grants which has significantly supported its financial position.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.