

V22 Foundation

(A company limited by guarantee)

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2020

V22 Foundation

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Company Information

Directors

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

Registered office

10 - 16 Ashwin Street
London
E8 3DL

V22 Foundation

(Registration number: 07590502) Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>5</u>	376,830	328,738
Current assets			
Debtors	<u>6</u>	180,110	106,057
Cash at bank and in hand		52,606	48,333
		232,716	154,390
Creditors: Amounts falling due within one year	<u>7</u>	(283,127)	(122,353)
Net current (liabilities)/assets		(50,411)	32,037
Total assets less current liabilities		326,419	360,775
Creditors: Amounts falling due after more than one year	<u>7</u>	(106,536)	(145,866)
Net assets		219,883	214,909
Reserves			
Income and expenditure account		219,883	214,909
Total equity		219,883	214,909

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 2020 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 23 July 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 2020

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 August 2019 for the sum of £200,000 repayable over a period of five years. Furthermore, during 2020 the company received grants from the Arts Council of £98,029 to support the operation of its three libraries throughout the COVID-19 pandemic, with a further £7,036 receivable in 2021. 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 2020 (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.

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 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.

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 2020 (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 rental income and 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 2020 (continued)

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2019 - 3).

4 Profit/loss before tax

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	16,737	6,993

5 Tangible assets

	Long leasehold land and buildings £	Short leasehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	346,149	1,918	3,245	351,312
Additions	-	64,829	-	64,829
At 31 December 2020	346,149	66,747	3,245	416,141
Depreciation				
At 1 January 2020	19,151	178	3,245	22,574
Charge for the year	5,734	11,003	-	16,737
At 31 December 2020	24,885	11,181	3,245	39,311
Carrying amount				
At 31 December 2020	321,264	55,566	-	376,830
At 31 December 2019	326,998	1,740	-	328,738

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

6 Debtors

	2020 £	2019 £
Trade debtors	4,062	7,355
Amounts owed by group undertakings and undertakings in which the company has a participating interest	62,953	63,882
Other debtors	25,297	31,657
Prepayments	87,798	3,163
	<u>180,110</u>	<u>106,057</u>

7 Creditors

Creditors: amounts falling due within one year

	2020 £	2019 £
Due within one year		
Trade creditors	119,098	47,919
Taxation and social security	2,059	-
Other creditors	79,556	58,501
Accruals and deferred income	82,414	15,933
	<u>283,127</u>	<u>122,353</u>

Creditors include other creditors which are secured over the company's long leasehold property of £39,330 (2019: £38,333).

Creditors: amounts falling due after more than one year

	2020 £	2019 £
Due after one year		
Loans and borrowings	<u>106,536</u>	<u>145,866</u>

Creditors include other creditors which are secured over the company's long leasehold property of £106,536 (2019: £145,866).

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (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 £1,075,000 (2019 - £1,200,000).

Approaching the period ended 31 December 2020, a former consultant was in dispute with V22 Foundation regarding an invoice he claimed was due for 2019, which the company disputed. The amount claimed was £6,375. The company defended the claim and after the Claimant failed to pay the trial fee on 14th June 2021, the claim was dismissed.

In 2020, the same Claimant served a Section 26 notice claiming continuous occupation of the basement of the Louise House Laundry. He started legal and land registry proceedings to claim a 123-year leasehold interest (later reduced to 15 years) on the basement and an upstairs storeroom. The claim was due to be heard in March 2021. The Claimant dropped the claims in the same month.

9 Related party transactions

The following balances are included within debtors due within one year:

- Amount receivable from V22 Ltd (previously known as V22 plc) £23,589 (2019: £nil)
- Amount receivable from V22 London Limited £35,864 (2019: £62,882)
- Amount receivable from V22 Communities £395 (2019: £29,446)

These comprise short term funding loans, repayable on demand and non-interest bearing. The companies are related by virtue of common directorship.

Management fees of £34,906 (2019: £16,529) were payable at a commercial rate to V22 London Limited.

Director's fees were paid to a director for their services to the company during the year of £10,000 (2019: £nil).

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.