

Devon Social Finance Limited
Annual Report and Financial Statements
Year Ended 31 March 2021
Registration number: 10811977



Devon Social Finance Limited

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Devon Social Finance Limited

Company Information

Directors Dirk Rohwedder
 Adam Chambers
 Steve Hindley
 Graham Howe

Registered office Ballard House
 West Hoe Road
 Plymouth
 PL1 3AE

Auditors PKF Francis Clark
 Statutory Auditor
 Centenary House
 Peninsula Park
 Rydon Lane
 Exeter
 EX2 7XE

Devon Social Finance Limited

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 company

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

Dirk Rohwedder

Adam Chambers

Steve Hindley

Graham Howe (appointed 20 January 2021)

Principal activity

The principal activity of the company is providing accessible loans to support the growth and impact of voluntary, community, and social enterprises.

Naturally, the Coronavirus pandemic has affected the repayment of loans from social enterprises and charities acutely. The Directors have given repayment holidays of all capital and interest payments to those who have needed them until December 2021 when they will review the situation.

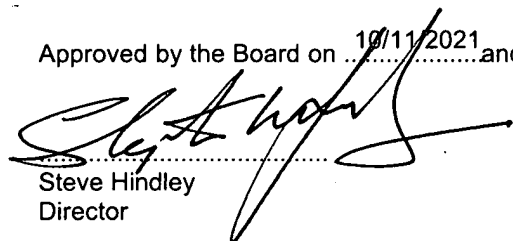
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has 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.

Approved by the Board on 10/11/2021 and signed on its behalf by



Steve Hindley
Director

Devon Social Finance Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Devon Social Finance Limited

Independent Auditor's Report to the Members of Devon Social Finance Limited

Opinion

We have audited the financial statements of Devon Social Finance Limited (the 'company') for the year ended 31 March 2021, which comprise the Statement of Income and Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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 the Companies Act 2006.

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 company 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 director'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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Devon Social Finance Limited

Independent Auditor's Report to the Members of Devon Social Finance Limited

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Devon Social Finance Limited

Independent Auditor's Report to the Members of Devon Social Finance Limited

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations as relating to breaches around health and safety regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Companies Act 2006, and relevant tax legislation. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to management bias in accounting estimates and payment of fraudulent grants.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of management, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Enquiries of management as to the occurrence and outcome of any reportable breaches;
- Review of grant payments for any evidence of fraudulent payments being made.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Devon Social Finance Limited

Independent Auditor's Report to the Members of Devon Social Finance Limited

PKF Francis Clark

Neil Hitchings (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: *13 December 2021*

Devon Social Finance Limited

Statement of Income and Retained Earnings

Year Ended 31 March 2021

	2021 £	2020 £
Turnover	22,357	36,000
Cost of sales	<u>(16,907)</u>	<u>(36,000)</u>
Gross profit	5,450	-
Administrative expenses	<u>(55,244)</u>	<u>(47,223)</u>
Operating loss	<u>(49,794)</u>	<u>(47,223)</u>
Other interest receivable and similar income	427	12,545
Interest payable and similar charges	<u>(106)</u>	<u>(3,183)</u>
	<u>321</u>	<u>9,362</u>
Loss before tax	<u>(49,473)</u>	<u>(37,861)</u>
Loss for the financial year	(49,473)	(37,861)
Retained earnings brought forward	(37,861)	110
Gift Aid	<u>-</u>	<u>(110)</u>
Retained earnings carried forward	<u>(87,334)</u>	<u>(37,861)</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

Devon Social Finance Limited

Balance Sheet

31 March 2021

	Note	2021 £	2020 £
Current assets			
Debtors	4	122,830	224,646
Cash at bank and in hand		<u>107,627</u>	<u>29,228</u>
		230,457	253,874
Creditors: Amounts falling due within one year	5	<u>(37,609)</u>	<u>(11,660)</u>
Total assets less current liabilities		192,848	242,214
Creditors: Amounts falling due after more than one year	5	<u>(280,082)</u>	<u>(279,975)</u>
Net liabilities		<u>(87,234)</u>	<u>(37,761)</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		<u>(87,334)</u>	<u>(37,861)</u>
Total equity		<u>(87,234)</u>	<u>(37,761)</u>

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

Approved and authorised by the Board on 10/11/2021... and signed on its behalf by:



.....
Steve Hindley
Director

Company Registration Number: 10811977

Devon Social Finance Limited

Notes to the Financial Statements

Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ballard House
West Hoe Road
Plymouth
PL1 3AE
United Kingdom

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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including section 1A and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The presentational currency is pounds sterling as that is the currency of the primary economic environment in which the company operates.

Going concern

At 31 March 2021 the balance sheet reports net liabilities of £87,234. The Parent Charity has agreed that amounts due will not be recalled in preference to third party creditors and additional support will be provided as required to enable the company to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

Revenue recognition

Income from grants is recognised when the company has entitlement to the funds; any conditions attached to the grant have been met; it is probable that the income will be received and the amount can be measured reliably; and is not deferred. Income received in advance is deferred until the criteria for income recognition are met.

Devon Social Finance Limited

Notes to the Financial Statements

Year Ended 31 March 2021

Financial instruments

Classification

The company holds the following financial instruments:

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

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company 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 company's obligations are discharged, expire or are cancelled.

Except for other loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Other loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2020 - 0).

4 Debtors

	2021 £	2020 £
Trade debtors	122,730	224,546
Other debtors	100	100
	<u>122,830</u>	<u>224,646</u>

Devon Social Finance Limited

Notes to the Financial Statements

Year Ended 31 March 2021

5 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Amounts due to parent		34,867	9,558
Accruals and deferred income		2,742	2,102
		<u>37,609</u>	<u>11,660</u>
Due after one year			
Loans and borrowings	6	85,349	85,349
Amounts due to parent		194,733	194,626
		<u>280,082</u>	<u>279,975</u>

6 Loans and borrowings

	2021 £	2020 £
Loans and borrowings due after one year		
Other borrowings	85,349	85,349
Amounts due to parent	194,733	194,626
	<u>280,082</u>	<u>279,975</u>

Devon Social Finance make individual loans of up to £150,000 to Voluntary Community & Social Enterprises. This is funded through contributions from Devon Community Foundation (DCF), the Big Lottery Fund (BLF) and Big Society Capital (BSC).

This funding is provided by way of loans repayable over 6 years with the first repayment due after 3 years, the DCF loan is at a fixed interest rate of 5%.

7 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Devon Social Finance Limited

Notes to the Financial Statements

Year Ended 31 March 2021

8 Parent and ultimate parent undertaking

The company's immediate parent is Devon Community Foundation, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Devon Community Foundation. These financial statements are available upon request from Companies House.