

REGISTERED COMPANY NUMBER: 08032671 (England and Wales)  
REGISTERED CHARITY NUMBER: 1148689

CTU COMMUNITY PROJECT  
REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

**CTU COMMUNITY PROJECT**  
**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**CTU COMMUNITY PROJECT**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**Registered Company number**  
08032671 (England and Wales)

**Registered Charity number**  
1148689

**Registered office**  
37 Camden High Street  
London  
NW1 7JE

**Trustees**

S W B Pitkeathley  
A E Proud  
C A Seward  
C J Shaw  
D L Thomas  
M Sagar

- Resigned 21/04/2017
- Appointed 22/04/2017

**Independent examiner**

John Howard FCA  
Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR

**CTU COMMUNITY PROJECT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **OBJECTIVES AND ACTIVITIES**

The objectives of the charity are principally the promotion for the public benefit of urban regeneration in areas of social and economic deprivation (and in particular within the London Borough of Camden). The trustees confirm that they have referred to the guidance contained in the charity commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

CTU Community project [CTU CP] was established to provide centres for business hot-desking space and lease empty shops to give people who have pop up shop ideas an opportunity to trade.

In 2016 CTU CP continued to operate Temperance Hospital as Collective business space, by far the largest CTU CP space to date. Temperance Hospital allowed CTU CP to begin providing fixed offices for rent at around a quarter of market rate, helping fund Collective's free space and easing the transition to market rents as hot-desking start-ups grow. This income allowed Collective to renovate two further floors of Temperance Hospital into subsidised business space. CTU CP also continues to operate BaseKX, purpose built co-working space on Camley street.

### **Main activities to further public benefit**

CTU CP's main activity is providing free hot-desking space and subsidised private offices for start-up businesses in Camden, this provides a wide range of public benefits:

- **Business Creation:** the support provided by CTU CP, not only through business space but also training and collaboration opportunities allows start-ups to experiment with their business model, push for growth, and become viable, mature businesses more quickly.
- **Job Creation:** the growth of these businesses creates new jobs, reducing unemployment and delivering social and economic uplift to the area. Many Collective businesses also offer work experience to young people.
- **Building occupancy benefits:** bringing blighted and disused buildings into use brings footfall to underused areas, increasing turnover for local retailers and reducing crime through passive crime defence.
- **Business space creation:** London's business space is under pressure due to the increasing value of residential units and legislation making the conversion of office space to residential more attractive. CTU CP provides business space, not only nurturing the growth of innovative start-ups but also supporting existing SMEs.

In planning CTU CP's activities for the year the trustees kept in mind the Charity Commissions guidance on public benefit at trustee meetings.

The promotion for the public benefit of urban regeneration in areas of social and economic deprivation (and in particular within the London Borough of Camden) by all or any of the following means:

- (a) the relief of poverty;
- (b) the relief of unemployment;
- (c) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
- (d) the provision of financial assistance, technical assistance or business advice or consultancy in order to Provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
  - (i) in setting up their own business, or
  - (ii) to existing businesses;
- (e) the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms;
- (f) such other means as may from time to time be determined subject to the prior written consent of the charity commission; and together with the pursuance of such other charitable purposes consistent with the above as the trustees in their absolute discretion shall determine.

**CTU COMMUNITY PROJECT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**OBJECTIVES AND ACTIVITIES - continued**

**Short and long-term aims and objectives**

In the short term CTU CP is preparing a new space in Camden Town to replace Temperance Hospital, when complete the net income from the subsidised office will be reserved for capital works on future spaces. CTU CP's long-term goal is to create a funding package to secure permanent space(s), anchoring an investment that can continue to provide social outputs, repay any investments and provide capital for future charitable works.

CTU CP used grant funding from the GLA's High Street and Mayor's Regeneration funds to renovate three floors of Temperance Hospital in 2015. In 2016 CTU CP used rental income from the subsidised offices, to renovate two more floors in Temperance hospital into subsidised business space.

**ACHIEVEMENT AND PERFORMANCE**

**Summary of main achievements of the charity**

- Collective Temperance Hospital: CTU CP renovated an additional two floors of the HS2 blighted Temperance Hospital into business space, by far the largest CTU CP space to date. The social & economic outputs recorded by Temperance Hospital far surpassed its targets (see below).
- CTU CP continues its partnership with UCL advances to operate BaseKX, purpose built co-working space on Camley street.
- CTU CP began works on a new space to replace Temperance Hospital.

**Significant charitable activities**

CTU CP continued to operate Temperance Hospital until its closure for demolition in August 2017. Refurbishment of a new Collective space has begun and will be completed by the end of the year. Research into C3, CTU CP's long-term ambition to secure a permanent Collective space continues, C3 will anchor an investment that captures uplift and continues to produce social outputs indefinitely.

**Achievements against objectives**

Temperance Hospital opened in December 2015, and closed on the 31<sup>st</sup> July 2017. Renaisi performed an independent evaluation of Collective's outputs during its occupation of Temperance Hospital and found that it exceeded many of the targets set by the GLA:

Output	Target	Actual achieved
Benefit-cost ratio	£7.79	£90.06
New full-time jobs created	12	64
At risk jobs safeguarded	25	157
Increase in business turnover for members	15%	53%
New Business space created	1,000m <sup>2</sup>	3,000m <sup>2</sup>

**Performance of material fundraising activities**

CTU CP successfully secured funding from the GLA to renovate Temperance Hospital and the City of London to prepare a future funding package.

**Investment performance against objectives**

CTU CP records its performance against agreed project objectives for the grants it receives as well as its charitable objectives. This is carried out during the project and through a formal evaluation by an independent party.

**Effect of expenditure incurred to raise income in future**

To date preparation for future funding has required no expenditure aside from staff time.

**Impact reporting**

CTU CP continues to use the performance indicators arising out of the several years it was funded and monitored by the GLA, Camden Council and Camden Town Unlimited.

**CTU COMMUNITY PROJECT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**Summary of measures/indicators used to assess performance:**

<b>Outputs</b>	<b>Definitions</b>	<b>Verification</b>
<b>Public Realm improvements (m2)</b>	Improved: significant improvement in the quality of the built environment through improved use of space, urban design and improved quality of materials used. Could be linked to measurement of time savings, reductions in road safety incidents, increased perception etc. New: space which was previously not for public use which is transformed into pavement, road, street furniture & park area.	Architect drawings demonstrating the area improved (before and after) and invoices and contracts to demonstrate work has been commissioned and completed. The designs should be supplied as part of invoicing.
<b>Value of match funding (£) from partner bodies as a result of GLA investment</b>	Covers all funding committed to Mayoral projects or programmes. Two types recorded include: 1) Direct match in the Grant Agreement and monitored as part of the project quarterly claims; 2) Match committed to a programme or area-based intervention where there is a series of complementary investments.	Value of other funding attracted to the target area in addition to GLA funding.++Gross funds spent - completed schedule signed by Finance Director, validated by receipts.++In kind contributions - all contributions should be converted to cash and signed off by Finance Director. Validated as above by receipts, time sheets, invoices.
<b>No. of jobs created</b>	<b>New</b> - should not have existed in the London borough or the employer before the intervention. <b>Permanent</b> - should have a life expectancy of at least 26 wks. FTE - 35hrs or more per wk.	<b>Business</b> - name, address, post code, telephone number, ownership and number of employees.  <b>Job</b> - title of the new or attracted job, contract of employment with expected start date, hours of work.  Letter or form signed by employer to confirm jobs are as a result of the project.  To avoid double counting, a job must not be counted again if it is filled over time by different people.  Safeguarded jobs (i.e. those that may have been lost without the intervention) are not included.  Positions created before the start of the current Mayoral term are not to be included, even if they are recorded as achieved after the start of the Mayoral term (for example referring to outcomes recorded after 26 weeks).
<b>No. of jobs safeguarded</b>	Must be a permanent, FT equivalent job which is at risk when the project is approved. At risk is defined as being forecast to be lost normally within one year (i.e. must be specified or if the sector is in longer term decline a longer period might be appropriate).	<b>Business</b> – name, address, post code, telephone number, contact details, ownership, number of employees  <b>Safeguarded</b> – job title, contract of employment and duration (1 year or longer), hours of work (for FTE calculation)  A letter from employer or form at end of project confirming that safeguarded job is as a result of project.

**CTU COMMUNITY PROJECT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**ACHIEVEMENT AND PERFORMANCE - continued**

**Summary of measures/indicators used to assess performance - continued**

<b>Outputs</b>	<b>Definitions</b>	<b>Verification</b>
<b>Increase in business turnover</b>	Increased financial turnover can be defined as the volume of a business output in terms of profits over a given number of years or period of time	Annual audited business accounts, via Company House.
<b>Increase in visitor satisfaction</b>	Increase in visitor satisfaction in the target area over agreed period.	Start and End Surveys of town centre users – at start of delivery (baseline position) and at end
<b>Increase in footfall</b>	Also known as People Counting or Shopper Counting, as the measurement of the number of people entering passing a certain location or entering a shop or shopping mall. An increase in footfall is measure from the baseline position over a period of time compared to another survey after an expected change or trend has taken place.	Survey count verification comparing baseline position at two particular locations where people are expected to pass or enter and a new survey count at a different time or date.
<b>Reduction in vacancy rate</b>	Vacancy rates are statistics kept on vacancies in rental properties, homes for sale, and hotels. High vacancy rates are usually viewed as a sign that the market is struggling, while low rates are desirable, because they indicate that property is a hot commodity and that vacancies rarely remain unfilled for very long.	Consulting census data, local government offices.
<b>New apprenticeship starts</b>	A job with an accompanying skills development programme designed by employers in the sector. Allowing apprentice to gain technical knowledge, real practical experience, with functional and personal skills.	Name or employee number, details of previous employment (or worklessness), employee start date, apprenticeship start date (if different), postcode, date of birth, gender, ethnic origin, disability, criminal convictions, job title, details of apprenticeship framework, level, provider of apprenticeship.  Apprenticeships can be counted only if they represent a new post in a company.  An existing post in a business replaced by an apprenticeship post cannot be recorded
<b>New or improved commercial/business space (m2)</b>	<b>New or upgraded:</b> new buildings constructed as part of the project, refurbished, improved or adapted for productive use as part of the project.  <b>Improved:</b> Actual floor space or potential market value has been increased by some physical improvement.	An architect's floor plan drawings showing floor space area.  Copy of completion certificate to demonstrate works undertaken.  Surveyor reports from pre and post completion of works.

**CTU COMMUNITY PROJECT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**ACHIEVEMENT AND PERFORMANCE - continued**

**Significant positive and negative factors within and outside control**

The most significant negative factor outside of CTU CP control is the acquisition and retention of empty buildings. CTU CP occupies disused and blighted buildings that generally have short leases. CTU are currently in completing negotiations for a two-year lease on a property to continue CTU CP's momentum post-Temperance

**FINANCIAL REVIEW**

During the year the company made a surplus on its unrestricted fund of £309,227 (2016: £132,387). During this financial period CTU CP continued its pivot from being fully grant funded to funding its activities through the rental of fixed offices. These rooms are rented below market rate to growing start-ups and other independent businesses, continuing to fulfil its charitable objectives, and income from these is used to fund CTU CP's free hot-desking offer. CTU CP continued to build its reserves during this financial year, which are now being spent as its occupation of Temperance Hospital has ended and it's beginning works on as new Collective space.

**Reserves Policy**

CTU CP currently holds reserves of £441,614. Its ongoing transition from grant-funded to self-sufficiency has resulted in modification of its reserves policy. There are large capital costs associated with the refurbishment of new Collective space; therefore, CTU CP has been building reserves in preparation for the closure of Temperance Hospital and the refurbishment costs for a new Collective space.

Occupation of Temperance Hospital ended on the 31<sup>st</sup> July 2017 and refurbishment works have begun on a new space in Camden Town, which should be finished in November. These works are expected to use most of the reserves build during CTU CP's occupation of Temperance Hospital, but the building will become an income source once the works are finished and subsidised offices let.

**Restricted Reserves**

The charitable company currently has one Restricted Reserve Fund, the C3 fund (see note 14 to the financial statements). During the year, a £40,000 grant was received through the stepping stones fund, and at the year end 31 March 2017 £20,000 of this was carried forward and spent in the year ending 31 March 2018.

**Financial effects of significant events**

Issues with acquisition of new space is mitigated by the capital CTU CP has begun to raise from rental income, which would allow it to rent on a commercial basis if required

**Investment policy and objectives**

CTU CP may invest funds appropriately in line with its charities objectives.

**Principal risks**

- Acquisition of buildings: the nature of CTU CP's work means that the largest risk is the acquisition of disused/blighted buildings as previous CTU CP spaces are leased commercially or demolished. CTU CP has a strong working relationship with HS2, from which it leases the Temperance Hospital; HS2 will be acquiring many blighted buildings in the Euston area as work progresses, which may be viable to refurbish as short term CTU CP spaces. Additionally, the capital raised from rental income could, if required, be used to lease commercial space, maintaining the project's momentum as new sites are sourced.
- Reduction in rental/grant funding: The viability of the project could be undermined by a drop in business rental interest and/or CTU CP being unsuccessful in securing future funding. A drop in rental income is thought extremely unlikely due to the current pressure on business space in London, in part because of the loss of business space from Permitted Development Rights.

Since its incorporation CTU CP has been very successful in securing grants from disparate sources; with its proven track record and politically attractive social and economic outputs this is expected to continue. The recent diversification of CTU CP's funding sources also means its become less reliant on grant funding.

Finally, CTU CP's close association with Camden Town Unlimited BID means that it can continue to use CTU staff in-kind contributions and, if required, direct funding to maintain its operations and momentum.

**Factors affecting financial performance going forward**

Meanwhile projects using temporary spaces requires flexibility but within these parameters the charity forecasts and has had an increasingly stronger financial outlook going forwards.

**Principal funding sources**

The charity is transitioning into self-sufficiency but currently a portion of income comes from grants.



**CTU COMMUNITY PROJECT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**FUTURE PLANS**

CTU CP is currently renovating a property to replace Temperance Hospital, but it's likely to hold fewer occupants. Therefore, a priority in the coming year is to identify and refurbish new site(s) to maintain the momentum CTU CP has built up over its years of operation. BaseKX is guaranteed for 12 years so can provide a cushion to any relocation impact.

Collective has been running free co-working space since 2009, and has occupied 18 buildings in that time. The experience gained during this time has allowed CTU CP to refurbish buildings at minimal costs, providing only the features most important to start-up and micro businesses.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Recruitment and appointment of new trustees**

The Trustees are entitled to appoint new Trustees subject to the approval of the members.

**Organisational structure**

Flat, with 4 members of staff with separate responsibilities

**Decision making**

Any decision with a cost over £5k must go through a tender process

**Induction and training of new trustees**

There is a process of induction for new trustees which includes meetings with current trustees and the provision of key information.

**Related parties**

The Charity is connected to Camden Town Centre Limited (Camden Town Unlimited or CTU) as Camden Town Centre Limited is the sole member of the Charity. The principal activity of Camden Town Unlimited is the operation of a BID Management Company delivering a business improvement district in Camden Town.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 14/09/17 and signed on its behalf by:



S W B Pitkeathley - Trustee

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CTU COMMUNITY PROJECT

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I report on the accounts for the year ended 31 March 2017 set out on pages nine to sixteen.

### **Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

### **Basis of the independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

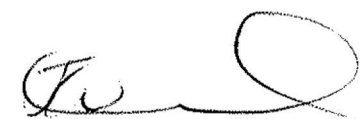
### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



John Howard FCA  
Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR

Date: 08 October 2017

**CTU COMMUNITY PROJECT**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted fund £	Restricted fund £	Total 2017 funds £	Total 2016 funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	200,000	40,000	240,000	10,000
<b>Charitable activities</b>	4				
The Collective Project		522,251	-	522,251	685,249
Other trading activities	3	<u>1,620</u>	<u>-</u>	<u>1,620</u>	<u>-</u>
<b>Total</b>		<b>723,871</b>	<b>40,000</b>	<b>763,871</b>	<b>695,249</b>
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
The Collective Project		<u>414,644</u>	<u>20,000</u>	<u>434,644</u>	<u>562,862</u>
<b>NET INCOME</b>		<b>309,227</b>	<b>20,000</b>	<b>329,227</b>	<b>132,387</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>132,387</b>	<b>-</b>	<b>132,387</b>	<b>-</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>441,614</u></b>	<b><u>20,000</u></b>	<b><u>461,614</u></b>	<b><u>132,387</u></b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

**CTU COMMUNITY PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>CURRENT ASSETS</b>			
Debtors	11	158,260	101,602
Cash at bank		<u>506,404</u>	<u>112,442</u>
		664,664	214,044
<b>CREDITORS</b>			
Amounts falling due within one year	12	(203,050)	(81,657)
<b>NET CURRENT ASSETS</b>		<u>461,614</u>	<u>132,387</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>461,614</u>	<u>132,387</u>
<b>NET ASSETS</b>		<u>461,614</u>	<u>132,387</u>
<b>FUNDS</b>	14		
Unrestricted funds		441,614	132,387
Restricted funds		<u>20,000</u>	<u>-</u>
<b>TOTAL FUNDS</b>		<u>461,614</u>	<u>132,387</u>


The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 14/09/17 and were signed on its behalf by:

  
 S W B Pitkeathley -Trustee

The notes form part of these financial statements

**CTU COMMUNITY PROJECT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

		2017 £	2016 £
<b>Cash flows from operating activities:</b>	Notes		
Cash generated from operations	1	<u>393,962</u>	<u>83,818</u>
<b>Net cash provided by (used in) operating activities</b>		<u>393,962</u>	<u>83,818</u>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		393,962	83,818
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>112,442</u>	<u>28,624</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>506,404</u>	<u>112,442</u>
 <b>Cash and cash equivalents consists of:</b>			
Cash at bank		<u>506,404</u>	<u>112,442</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>506,404</u>	<u>112,442</u>

The notes form part of these financial statements

**CTU COMMUNITY PROJECT**  
**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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<b>1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>329,227</b>	<b>132,387</b>
<b>Adjustments for:</b>		
(Increase) in debtors	<b>(56,658)</b>	<b>(11,023)</b>
Increase/(decrease) in creditors	<b><u>121,393</u></b>	<b><u>(37,546)</u></b>
<b>Net cash provided by operating activities</b>	<b><u>393,962</u></b>	<b><u>83,818</u></b>

**CTU COMMUNITY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; the Companies Act 2006; and the requirements of the Statement of Recognised Practice, Accounting and Reporting by Charities (effective 1 January 2015). The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£) which is also the functional currency for the charity.

**Going concern**

After reviewing the charity's forecasts and projections and taking into account the economic conditions and possible changes in trading performance, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing the financial statements.

**Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Legal status**

The charity is a company limited by guarantee and has no share capital.

**Public Benefit**

The charitable company meets the definition of a public benefit entity under FRS 102.

**Income**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes bid income, income generated from pop up shops and rental income from sub-letting of the property held primarily for functional use by the charity.

Income from trading activities includes income earned from fundraising events held in the year, and consultancy fees.

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds includes costs of generating voluntary income, fundraising events and fundraising trading.

Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Staff costs are allocated between cost headings according to the function of each employee.

**Allocation and apportionment of costs**

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, for example, time spent, per capita or floor area.

# CTU COMMUNITY PROJECT

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2017

### 1. ACCOUNTING POLICIES - continued

#### Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.

#### Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### Creditors and provisions

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.

#### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate.

### 2. DONATIONS AND LEGACIES

	2017 £	2016 £
Donations	200,000	-
Grants	40,000	10,000
	<u>240,000</u>	<u>10,000</u>

Grants received, included in the above, are as follows:

	2017 £	2016 £
Other grants	40,000	10,000

### 3. OTHER TRADING ACTIVITIES

	2017 £	2016 £
Consultancy	1,620	-



**CTU COMMUNITY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Activity</b>	<b>2017</b> £	<b>2016</b> £
Bid income	The Collective Project	93,834	610,762
Pop up shops	The Collective Project	-	29,877
Rental income	The Collective Project	428,417	44,610
		<u>522,251</u>	<u>685,249</u>

**5. CHARITABLE ACTIVITIES COSTS**

	<b>Direct costs</b> £	<b>Support costs</b> (See note 6) £	<b>Totals</b> £
The Collective Project	<u>98,094</u>	<u>336,550</u>	<u>434,644</u>

**6. SUPPORT COSTS**

	<b>Management</b> £	<b>Finance</b> £	<b>Other</b> £	<b>Governance costs</b> £	<b>Totals</b> £
The Collective Project	<u>193,068</u>	<u>365</u>	<u>140,949</u>	<u>2,168</u>	<u>336,550</u>

Support costs, included in the above, are as follows:

	<b>2017</b> <b>The Collective Project</b> £	<b>2016</b> <b>Total activities</b> £
Wages	38,969	38,533
Accommodation	40,269	10,000
Insurance	14,745	7,922
Light and heat	5,149	1,988
Telephone and IT	19,739	17,950
Printing, Postage and stationery	1,663	4,651
Sundries	1,544	3,663
Other staff costs	9,735	3,233
Cleaning	20,138	8,981
Repairs and Maintenance	4,905	2,972
Refreshment	4,526	2,801
Training and courses	-	2,806
CS Fundraising costs	26,000	10,000
Professional fees	5,686	68,738
Bank charges	365	218
Temperance renovation	140,949	241,752
Accountancy and legal fees	2,168	3,303
	<u>336,550</u>	<u>429,511</u>

**7. NET INCOME**

Net income is stated after charging:

	<b>2017</b> £	<b>2016</b> £
Independent examination	<u>2,000</u>	<u>2,450</u>

**CTU COMMUNITY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2017 or for the year ended 31 March 2016.

**9. STAFF COSTS**

The total staff cost in the year was £128,431 (2016: £126,645), which is charged against both charitable activities and support costs in the statement of financial activities.

	2017 £	2016 £
Total staff emoluments for the year were as follows:		
Salary costs	115,440	114,567
National insurance	12,112	12,079
Pension	<u>879</u>	<u></u>
	<u><b>128,431</b></u>	<u><b>126,645</b></u>

The average number of people, excluding trustees, employed by the company during the year amounted to 4 (2016: 5).

No employees had employee benefits in excess of £60,000 (2016: none)

The key management of the charitable company comprise the Trustees. The Trustees do not receive any remuneration for this role.

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	10,000	-	10,000
<b>Charitable activities</b>			
The Collective Project	<u>685,249</u>	<u>-</u>	<u>685,249</u>
<b>Total</b>	<b>695,249</b>	<b>-</b>	<b>695,249</b>
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
The Collective Project	<u>562,862</u>	<u>-</u>	<u>562,862</u>
<b>Total</b>	<u><b>562,862</b></u>	<u><b>-</b></u>	<u><b>562,862</b></u>
 <b>NET INCOME</b>	<b>132,387</b>	<b>-</b>	<b>132,387</b>
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>-</u>	<u>-</u>	<u>-</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u><b>132,387</b></u>	<u><b>-</b></u>	<u><b>132,387</b></u>

**CTU COMMUNITY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade debtors	28,131	52,994
Amounts owed by group undertakings	305	20,329
Other debtors	82,509	1,453
Prepayments and accrued income	<u>47,315</u>	<u>26,826</u>
	<u>158,260</u>	<u>101,602</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	37,801	2,341
Amounts owed to group undertakings	102,529	-
VAT	-	15,369
Other creditors	57,828	21,497
Accruals and deferred income	<u>4,892</u>	<u>42,450</u>
	<u>203,050</u>	<u>81,657</u>

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted fund £	Restricted fund £	2017 Total funds £	2016 Total funds £
Current assets	644,664	20,000	664,664	214,044
Current liabilities	<u>(203,050)</u>	<u>-</u>	<u>(203,050)</u>	<u>(81,657)</u>
	<u>441,614</u>	<u>20,000</u>	<u>461,614</u>	<u>132,387</u>

**14. MOVEMENT IN FUNDS**

	At 1/4/16 £	Net movement in funds £	At 31/3/17 £
<b>Unrestricted funds</b>			
General fund	132,387	309,227	441,614
<b>Restricted funds</b>			
C3	-	20,000	20,000
<b>TOTAL FUNDS</b>	<u>132,387</u>	<u>329,227</u>	<u>461,614</u>

**CTU COMMUNITY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**14. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	723,871	(414,644)	309,227
<b>Restricted funds</b>			
C3	40,000	(20,000)	20,000
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>763,871</u>	<u>(434,644)</u>	<u>329,227</u>

**Restricted funds**

C3 is CTU CP's long term ambition to secure a permanent Collective space, anchoring an investment that captures uplift and continues to produce social outputs indefinitely.

**15. RELATED PARTY DISCLOSURES**

Included in creditors is a balance of £102,529 (2016: £20,329 owed) due to Camden Town Centre Limited, a company who is the sole member of the charity.

During the year the Charity charged £128,431 (2016: £344,864) to Camden Town Centre Limited, in relation to salary costs.