

Community Benefit Society Registration number: 30669R

# Unlimited Potential

Directors' Report and Financial Statements

for the Year Ended 31 March 2015



**HALLIDAYS**  
MORE THAN JUST ACCOUNTANTS

Hallidays  
Statutory Auditor & Chartered Accountants  
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**Unlimited Potential  
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The following pages do not form part of the statutory financial statements:

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**Unlimited Potential**  
**Directors' Report for the Year Ended 31 March 2015**

The directors present their report and the financial statements for the year ended 31 March 2015.

**Directors of the society**

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

K Coakley

C Dabbs

D Dawes (resigned 6 April 2014)

T Wainwright (resigned 23 October 2014)

J Pollock

B Myles

G Palmer (resigned 11 June 2014)

T Smith (resigned 20 October 2014)

K Smith (appointed 23 October 2014)

N Storey (appointed 2 June 2014)

D Young (appointed 23 October 2014)

J Cordell (appointed 15 May 2014 and resigned 31 March 2015)

L Gradwell (appointed 23 July 2014 and resigned 14 January 2015)

D Cummins (appointed 23 October 2014)

P Gibson (appointed 23 October 2014)

**Unlimited Potential**  
**Directors' Report for the Year Ended 31 March 2015**

..... *continued*

**Directors' attendance record**

The Board had six committees (reduced to three on 20 October, 2014), of which individual Directors may be a member of one or more.

<b>Name</b>	<b>Board Meetings - actual (possible)</b>	<b>Committee meetings - actual (possible)</b>
K. Coakley	13 (13)	11 (11)
J. Cordell	11 (11)	0 (0)
D. Cummins	5 (5)	0 (0)
C. Dabbs	13 (13)	17 (17)
D. Dawes	0 (1)	0 (0)
P. Gibson	3 (5)	0 (0)
L. Gradwell	2 (5)	0 (0)
B. Myles	6 (13)	1 (2)
G. Palmer	2 (3)	1 (1)
J. Pollock	9 (13)	8 (11)
K. Smith	4 (5)	0 (0)
T. Smith	7 (7)	2 (3)
N. Storey	9 (10)	3 (5)
T. Wainwright	6 (8)	6 (6)
D. Young	5 (5)	0 (0)

**Unlimited Potential**  
**Directors' Report for the Year Ended 31 March 2015**

..... *continued*

**Directors' Interests**

During the year, interests declared by Directors were:

Name	Direct material interests	Indirect material interests (including of connected persons to be named)
K. Coakley	None	None
J. Cordell	None	None
D. Cummins	Director – City West Housing Trust, which may be involved in joint projects with Unlimited Potential	None
C. Dabbs	None	None
D. Dawes	Nurse First CIC PrepOnline limited Royal College of Nursing Shaftesbury Partnership Social Enterprise UK Social Enterprise Investment Fund Sigma Theta Tau	None
P. Gibson	None	Employee of Chairman of the Business Group Salford
L. Gradwell	No declaration made	No declaration made
B. Myles	City West Housing Trust	None
G. Palmer	None	None
J. Pollock	None.	Operations Manager – Self Management UK; connection through employment; also Kevin Coakley occasionally volunteers and works on a sessional basis as a tutor.
K. Smith	Employee - Salford City Council	None
T. Smith	None	None
N. Storey	None	None
T. Wainwright	None	Solicitor at DWF LLP solicitors that are instructed by Unlimited Potential from time to time.
D. Young	None	None

# Unlimited Potential

## Directors' Report for the Year Ended 31 March 2015

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### Principal Objects and Activities

The Society exists to make the world a happier and healthier place to live. It specialises in social innovation.

1. Well-being To support people to lead happier and healthier lives.

Services having positive outcomes for people engaged with them.

by

- providing high-quality, personal and responsive services that make real improvements to people's lives and communities [present]
- developing new services that respond to the requirements of customers and clients [future]

2. Fulfilment To help people who want to develop their skills and abilities to fulfil their potential.

People taking control of their own lives.

by

- enabling individuals and communities to use their strengths and assets in new ways

3. Positive impact To be a healthy and happy enterprise that has the best possible impact for people and for a sustainable world.

The organisation having a positive impact on the wider world.

by

- Enterprise: ensuring the sustainability of the organisation's income
- Society: promoting social development that invests in the strengths of everyone
- Economy: helping to create and maintain a strong, sustainable and socially inclusive economy
- Environment: protecting the environment and ensuring prudent use of natural resources

### Business Review

This business review aims to be a balanced and comprehensive analysis of the development and performance of the Society's business during the financial year, and its position at the end of that year, consistent with its size and complexity. Full details are contained within the Society's audited Social Accounts for the year, which are available separately.

### Contractual arrangements.

The main persons and other organisations with which the Society had contractual or other arrangements essential to its business were:

- Big Life Centres
- Blackpool Council (Public Health)
- Greater Preston Clinical Commissioning Group
- Heywood, Middleton and Rochdale Clinical Commissioning Group
- Newground Together
- Salford City Council (Community, Health & Social Care)
- Salford City Council (Public Health)
- Salford Clinical Commissioning Group

**Unlimited Potential**  
**Directors' Report for the Year Ended 31 March 2015**

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Social, economic and environmental impacts.

The Society holds the Social Enterprise Mark, which was renewed on 1 July, 2014.

**Society**

**Numbers in membership:**

On the Register of Supporters, against a long-term target of 80, the number of Supporters (members) at 31 March, 2015, was 56:

- client Supporters = 6 (10.7%)
- staff Supporters = 25 (44.6%)
- associate Supporters = 25 (44.6%)

This represented a decrease of 11.1% in membership over the year (from 63 at 31 March, 2014), due to small reductions in the numbers of Supporters in all three categories of Supporter.

**Level of membership(-related) activity:**

A total of 24 Supporters (members) attended the Annual Meeting on 23 October, 2014, (a 7.7% reduction from 26 Supporters at the Annual Meeting on 24 October, 2014). Alongside postal votes from Supporters not attending, they elected one Supporter as an Advisory Council members and six people as Non-Executive Directors.

**Activity of the Advisory Council:**

On the Register of Advisory Council Members, the number of Members at 31 March, 2015 was four:

- client Members = 2(50.0%)
- staff Members = 1 (25.0%)
- associate Members = 1 (25.0%)

This represents a decrease of 50.0% in the size of Advisory Council membership (form eight Members on 31 March, 2014).

The Advisory Council held five meetings during 2014-2015, compared to six during 2013-2014; a decrease of 16.7%.

## Unlimited Potential

### Directors' Report for the Year Ended 31 March 2015

..... **continued**

#### Economy

In 2014-2015, the proportion of non-direct/staffing expenditure spent with ethical suppliers was 40.36%, a decrease from 41.52% in 2013-2014.

At the end of 2014-2015, 84.6% of employees (22 out of 26) were local residents (living within five miles of their normal work base), an increase from 80.0% at the end of 2013-2014.

#### Environment

The Society's environmental impact against its key performance indicators in 2014-2015 was:

- energy efficiency: 0.451 tonnes CO<sub>2</sub>e per person; an 11.6% reduction on 2013-2014 (0.510 tonnes CO<sub>2</sub>e per person equivalent)
- waste and emissions:
  - o total bins - 54.5 per person; an 8.6% decrease on 2013-2014 (59.6 bins per person)
  - o total CO<sub>2</sub>e travel emissions -
    - o commuting: 0.625 tonnes CO<sub>2</sub>e per person; a 7.3% decrease on 2013-2014 (0.674 tonnes CO<sub>2</sub>e per person)
    - o business-related travel: 0.213 tonnes CO<sub>2</sub>e per person; a 3.7% decrease on 2013-2014 (0.221 tonnes CO<sub>2</sub>e per person)

#### Workforce

At 31 March, 2015, there were there were 23.30 whole-time equivalent staff posts (21 full-time and five part-time). This is a decrease of 17.5% from 31 March, 2014, when there were there were 28.24 whole-time equivalent staff posts (24 full-time and seven part-time).

The Society seeks to work to the ACAS Model Workplace. It is an accredited Living Wage Employer (Living Wage Foundation, renewed March 2014) and has a trade union Recognition Agreement with Unison.

All staff are eligible to become Supporters (members) of the Society. The Society offers a series of staff benefits to all employees, including: childcare vouchers; discounted sports and gym membership; employee assistance programme; group life assurance up to age 70; group personal pension scheme; group health cash plan; and learning and development budget (equivalent to 2.6% of basic salary). The Society is working towards producing staff benefits statements.

The Society holds the Investors in People Standard (UK Commission for Employment and Skills, renewed April 2014). It also holds Positive about Disabled People accreditation ("two ticks") (Jobcentre Plus, renewed 24 April, 2014).

Future development - trends, factors, risks and uncertainties.

The strategic approach within the Business Plan to 2016 is to:

- work to current mission, values and objectives
- keep the strategic direction focussed on social innovation
- diversify around social issues, geographically (but with the central hub in Salford), and into commercial enterprise for social impact
- have a five-year plan, with annual review and a complementary annual operational plan every year



## Unlimited Potential

### Directors' Report for the Year Ended 31 March 2015

..... *continued*

The main trends and factors likely to affect the future development, performance and position of the Society's business are:

<p><b>Political</b></p> <ul style="list-style-type: none"> <li>Big Society agenda</li> <li>localism</li> <li>rise of single issues</li> <li>devolution of power</li> <li>increasing citizen engagement</li> <li>changing community leadership</li> <li>commodification of membership</li> </ul>	<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>economic downturn</li> <li>rising poverty and income inequality</li> <li>constrained public spending</li> <li>changing welfare state</li> <li>increasing expectations of charging for services (users paying)</li> <li>changing procurement practice</li> </ul>
<p><b>Social</b></p> <ul style="list-style-type: none"> <li>more diverse families and household structures</li> <li>different generations</li> <li>gender and family structures</li> <li>ethnic and cultural diversity</li> <li>personalisation of services</li> </ul>	<p><b>Technological</b></p> <ul style="list-style-type: none"> <li>online communities</li> <li>social media</li> <li>access to the Internet</li> <li>data management</li> <li>increasing ease to make new connections</li> <li>new ways to engage people</li> <li>working flexibly</li> </ul>
<p><b>Legal</b></p> <ul style="list-style-type: none"> <li>social enterprise and social value</li> </ul>	<p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>climate change</li> <li>corporate responsibility</li> <li>ethical living and consumerism</li> </ul>

**Unlimited Potential**  
**Directors' Report for the Year Ended 31 March 2015**

..... **continued**

The principal risks and uncertainties that the Society faces are, in order of significance:

- loss of executive directors
- commissioner meltdown
- commissioning processes
- staff haemorrhaging
- building burning down
- fraud
- reputation / scandal
- private sector competition
- IT failure
- Board leaving

The Society manages the risks to ensure control and minimisation by:

- risk log and issues log
- risk management template
- disaster management
- backing up records off-site
- risk register (within business continuity plan), with named responsibility for each risk

The Society identifies emerging issues and manages these before they potentially become risks by:

- thinking about these questions and identifying issues
- collecting and recording any near-misses

Monitoring is performed through liberal recording and a questioning framework for emerging issues

- pose question
- check on level of concern
- deal with, if a high concern

Our Business Continuity Plan fits with risk management by listing risks, likelihood, impact, and measures in place.

The Board ensures that risks are identified and dealt with appropriately by having emerging issues as a standing item on each Board agenda.

The Board has accepted that there is a downturn in business that will generate a deficit for 2015-2016 necessitating the use of reserves to fund operations.

## Unlimited Potential

### Directors' Report for the Year Ended 31 March 2015

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#### Statements and Responsibilities of the Board

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society 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 Accounting Standards and applicable law. Under that 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 Society and of the surplus or deficit of the Society for that period. In preparing those financial statements, the Directors are required to:

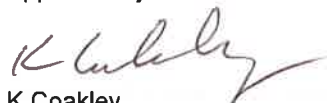
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Acts. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Society's auditor is unaware; and
- the Directors have taken all the steps necessary to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board on 30/9/15 and signed on its behalf by:



K Coakley  
Director

## **Independent Auditor's Report to the Members of Unlimited Potential**

We have audited the financial statements of Unlimited Potential for the year ended 31 March 2015, set out on pages 11 to 19 which comprise the Income and Expenditure Account, the Balance sheet and the related notes, including the accounting policies on page 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statements and Responsibilities of the Board (set out on pages 8-9), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report and to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2015 and of its income and expenditure account 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 Co-operative and Community Benefit Societies Act 2014

.....  
Hallidays, Chartered Accountants and Statutory Auditor

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Date:.....

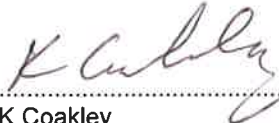
**Unlimited Potential**  
**Income and Expenditure Account for the Year Ended 31 March 2015**

	Note	2015 £	2014 £
Turnover		952,618	1,014,284
Operating costs		<u>(948,918)</u>	<u>(1,046,628)</u>
Operating surplus/(deficit)		3,700	(32,344)
Other interest receivable and similar income	4	2,791	3,509
Interest payable and similar charges		<u>-</u>	<u>(16)</u>
Surplus/(deficit) on ordinary activities before taxation		6,491	(28,851)
Tax on surplus/(deficit) on ordinary activities	5	<u>(1,993)</u>	<u>(1,790)</u>
Surplus/(deficit) for the financial year	11	<u><u>4,498</u></u>	<u><u>(30,641)</u></u>

**Unlimited Potential**  
**(Community Benefit Society Registration number: 30669R)**  
**Balance Sheet at 31 March 2015**

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors	7	49,776	8,576
Cash at bank and in hand		596,707	595,007
		<u>646,483</u>	<u>603,583</u>
Creditors: Amounts falling due within one year	8	<u>(227,200)</u>	<u>(142,131)</u>
Total assets less current liabilities		419,283	461,452
Creditors: Amounts falling due after more than one year	9	<u>-</u>	<u>(46,667)</u>
Net assets		<u><u>419,283</u></u>	<u><u>414,785</u></u>
<b>Reserves</b>			
Income and Expenditure Account	11	<u>419,283</u>	<u>414,785</u>
Members' funds		<u><u>419,283</u></u>	<u><u>414,785</u></u>

These financial statements were approved by the directors and authorised for issue on 30/9/15 and are signed on its behalf by:

  
 K Coakley  
 Director

## Unlimited Potential

### Notes to the Financial Statements for the Year Ended 31 March 2015

#### 1 Accounting policies

##### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Financial Reporting Standards.

The society is incorporated under the Co-operative and Community Benefit Societies Act 2014.

##### Going concern

In common with other organisations working within the public sector the society goes through a tendering or commissioning process to secure further funding on existing contracts and to secure funding for new ones. To date the society has secured sufficient funding to support the society for a period of approximately six months from the date of approval of these accounts. As the management team have no reason to believe that further funding will not be received these accounts have been prepared on a going concern basis.

##### Turnover

The turnover shown in the profit and loss account represents income received during the year for contracts to provide services to the local community and grants received.

##### Tangible Fixed Assets

The minimum level of expenditure on a single item in order for it to be treated as a capital asset in the balance sheet and attract depreciation, unless that asset forms part of a wider program or project of work, refurbishment or upgrade, is £1,000.

##### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	25% - 33% straight line
Leasehold improvements	over the term of the lease

##### Hire purchase and leasing

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

##### Pensions

The society operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## Unlimited Potential

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

#### Taxation

We are committed to paying all the taxes that we owe in accordance with the spirit of all tax laws that apply to our operations. We believe that paying our taxes in this way is the clearest indication we can give of our being responsible participants in society.

We will fulfil our commitment to paying the appropriate taxes that we owe by seeking to pay the right amount of tax (but no more), at the right rate, in the right place and at the right time. We aim to do this by ensuring that we report our tax affairs in ways that reflect the economic reality of the transactions we actually undertake in the course of our trade.

What we will not ever do is seek to use those options made available in tax law or the allowances and reliefs that it provides in ways that are contrary to the spirit of the law. Nor will we undertake specific transactions with the sole or main aim of securing tax advantages that would otherwise not be available to us based on the reality of the trade that we undertake. As a result the company will never undertake transactions that would require notification to HM Revenue & Customs under the Disclosure of Tax Avoidance Schemes Regulations or participate in any arrangement to which it might be reasonable anticipated that the UK's General Anti-Abuse Rule might apply.

We believe tax havens undermine the UK's tax system. As a result whilst we will trade with customers and suppliers genuinely located in places considered to be tax havens we will not make use of those places to secure a tax advantage, and nor will we take advantage of the secrecy that many such jurisdictions provide for transactions recorded within them. Our accounts will be prepared in compliance with this policy and will seek to provide all that information that users, including HM Revenue & Customs, might need to properly appraise our tax position. We will review this policy with our accountants annually to ensure that it is complied with.

#### 2 Operating surplus/(deficit)

Operating surplus/(deficit) is stated after charging:

	2015 £	2014 £
Auditor's remuneration - The audit of the societies annual accounts	7,242	6,564
Depreciation of owned assets	<u>-</u>	<u>39,362</u>

#### 3 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including money purchase pension scheme contributions)	<u>98,674</u>	<u>112,942</u>

The Non-Executive Directors do not receive any remuneration.



## Unlimited Potential

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

#### 4 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	<u>2,791</u>	<u>3,509</u>

#### 5 Taxation

##### Tax on surplus/(deficit) on ordinary activities

	2015 £	2014 £
<b>Current tax</b>		
Tax on surplus/(deficit) on ordinary activities	2,000	1,984
Adjustments in respect of previous years	<u>(7)</u>	<u>(194)</u>
UK Corporation tax	<u>1,993</u>	<u>1,790</u>

##### Tax charge

	2015
	£
UK corporation tax on profits for the year	2,000
Adjustment in respect of prior years	<u>          </u>
UK current tax charge	<u>2,000</u>

##### Deferred tax

Timing differences arising in the year	89
Adjustment in respect of prior years	<u>-48</u>
UK deferred tax charge	<u>41</u>

##### Total UK tax charge for the year

	<u>2,041</u>
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##### Tax reconciliation

	2015
	£
Profit before tax	<u>6,491</u>
Tax due if paid at the applicable UK corporation tax rate (20%)	1,298

Adjusting items:

## Unlimited Potential

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

Impact of capital allowances in excess of depreciation	-89
Short term timing differences on the taxation of interest income	
Adjustment to tax charge in prior period	
Rounding of tax charge	791
Current tax charge for the year	2,000
Adjustments relating to deferred taxation	
Impact of capital allowances in excess of depreciation	
Short term timing differences on the taxation of interest income	
Tax charge for the year	2,000
Effective current tax rate for the year	30.80%
Effective total tax rate for the year	30.80%

The company qualifies for the small companies rate of corporation tax in the UK, which was 20% throughout the financial year to which these financial statements relate.

Capital allowances are tax relief provided in law for the expenditure the company makes on fixed assets. The rates are determined by parliament annually, this year the rate used on the companies assets is 18%. This contrasts with the accounting treatment for such spending, where the expenditure on fixed assets is treated as an investment with the cost then being spread over the anticipated useful life of the assets as is explained more fully in notes 1 (Accounting Policies) and 6 (Fixed Assets).

The different accounting treatment of fixed assets for tax and accounting purposes means that the taxable income of the company is not the same as its accounting profit. In years when it is investing significantly in new equipment tax profits are lower than accounting profits and vice versa in years when limited investment occurs. The result is that when, as in the year to which these financial statements relate, the expenditure on fixed assets multiplied by the capital allowance rate can exceed the accounting charge for depreciation, the current tax charge is lower than that expected when multiplying the current profits before tax by the headline tax rate. This difference in treatment resulted in a tax saving to the company of £88.80 in the year.

Adjustments to tax changes arising in earlier years arise for two reasons. The first is that, inevitably, the tax charge to be included in a set of financial statements has to be estimated before those financial statements are finalised. Such charges do, therefore, inevitably, include some estimates that are checked and refined before the company's corporation tax return for the year is submitted to HM Revenue & Customs, which may reflect a slightly different liability as a result. The second reason is that HM Revenue & Customs may not agree with the tax return that was submitted for a year and the tax liability for a previous year may be adjusted as a result. All the adjustments to the tax charge for prior periods noted in these financial statements arose for the first of these two reasons.

## Unlimited Potential

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

Some expenses any company occurs may be entirely appropriate charges for inclusion in its financial statements but are, nonetheless, not allowed as an offset against taxable income when calculating the company's tax liability for the same accounting period. Examples of such disallowable expenditure include business entertainment costs, some legal expenses and some repair costs on buildings and equipment where capital allowances are not available. Expenditure of this sort explains the expenses not deductible for tax purposes arising in the year.

As will be noted from the tax reconciliation, the process of adjustment that can give rise to current year adjustments to tax charges arising in previous periods can also give rise to revisions in prior year deferred tax estimates. This is why the current year adjustments to the current year tax charge for capital allowances and short term timing differences are not exactly replicated in the deferred taxation charge for the year.

<b>Cash Paid Reconciliation</b>	2015
	£
Opening corporation tax liability at 1.4.2014	1,994
Add: current corporation tax liability for the year	2,000
Less: corporation tax paid in the year	<u>-1,994</u>
Closing corporation tax liability as at 31.03.2015	<u><u>2,000</u></u>

The corporation tax paid in the year represented the estimated tax liability at 31.03.14.

#### Deferred taxation

	Capital allowances	Sort term timing differences	Total
	£	£	£
Balance as at 1.4.2014	0		0
Current year deferred tax charge	89	0	88.8
Adjustment in respect of prior years	-89	0	-88.8
Balance as at 31.03.15	<u>0</u>	<u>0</u>	<u>0</u>

Deferred taxation liabilities represent sums that might become payable in tax in future years as a result of transactions that have occurred in the current year. The explanation as to why such liabilities may arise is included in the notes to the tax reconciliation, above.

At this time all assets are fully depreciated and capital allowances are still being claimed therefore there is no deferred tax liability due at this time.

## Unlimited Potential

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

#### 6 Tangible fixed assets

	Leasehold Improvement £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2014	118,084	27,500	145,584
<b>Depreciation</b>			
At 1 April 2014	<u>118,084</u>	<u>27,500</u>	<u>145,584</u>
<b>Net book value</b>			
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2014	<u>-</u>	<u>-</u>	<u>-</u>

#### 7 Debtors

	2015 £	2014 £
Trade debtors	41,679	1,237
Other debtors	<u>8,097</u>	<u>7,339</u>
	<u>49,776</u>	<u>8,576</u>

#### 8 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	69,824	17,778
Corporation tax	2,000	2,000
Other taxes and social security	34,110	13,752
Other creditors	<u>121,266</u>	<u>108,601</u>
	<u>227,200</u>	<u>142,131</u>

#### 9 Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Other creditors	<u>-</u>	<u>46,667</u>

## Unlimited Potential

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

#### 10 Society Status

As the society is a community benefit society the members do not beneficially own the company. The liability of the members is limited. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation. At the balance sheet date the society had 56 members.

#### 11 Reserves

	Income and expenditure account £	Total £
At 1 April 2014	414,785	414,785
Surplus/(deficit) for the year	4,498	4,498
At 31 March 2015	<u>419,283</u>	<u>419,283</u>

#### 12 Contingent liabilities

The society is potentially liable for dilapidation charges as part of the lease which is due to expire on the 30th September 2017. The amount of any charge is unknown at this time.

#### 13 Commitments

##### Operating lease commitments

As at 31 March 2015 the society had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
Within one year	-	24,703
Within two and five years	27,534	-
	<u>27,534</u>	<u>24,703</u>

## Unlimited Potential

### Detailed Income and Expenditure Account for the Year Ended 31 March 2015

	2015		2014	
	£	£	£	£
Turnover (analysed below)		952,618		1,014,284
<b>Operating costs</b>				
Employment costs (analysed below)	(703,728)		(721,394)	
Establishment costs (analysed below)	(75,087)		(83,297)	
General administrative expenses (analysed below)	(169,896)		(202,297)	
Finance charges (analysed below)	(207)		(278)	
Depreciation costs (analysed below)	-		(39,362)	
		(948,918)		(1,046,628)
Other interest receivable and similar income (analysed below)		2,791		3,509
Interest payable and similar charges (analysed below)		-		(16)
Surplus/(deficit) on ordinary activities before taxation		<u>6,491</u>		<u>(28,851)</u>

## Unlimited Potential

### Detailed Income and Expenditure Account for the Year Ended 31 March 2015

	2015 £	2014 £
<b>Turnover</b>		
Sales, UK	952,618	1,014,284
	952,618	1,014,284
<b>Employment costs</b>		
Wages and salaries	486,155	500,996
Staff NIC (Employers)	49,389	51,630
Directors remuneration	84,386	93,521
Staff pensions	45,648	49,577
Directors' pensions	14,288	19,421
Redundancy costs	23,862	6,249
	703,728	721,394
<b>Establishment costs</b>		
Rent, rates and water	55,697	63,381
Insurance	5,177	5,838
Repairs and maintenance	1,778	1,049
IT & office equipment costs	12,435	13,029
	75,087	83,297
<b>Other operating costs</b>		
Telephone and fax	11,560	13,126
Functions, events and refreshments	8,277	8,582
Printing, postage and stationery	8,986	14,582
Sundry expenses	17,738	14,277
Training and recruitment	7,092	15,025
Auditor's remuneration - The audit of the company's annual accounts	7,242	6,564
Consultancy fees	89,683	87,951
Legal and professional fees	-	8,999
Advertising	8,185	21,260
Travel and subsistence	10,443	11,547
Bad debts written off	690	384
	169,896	202,297
<b>Finance charges</b>		
Bank charges	207	278
<b>Depreciation costs</b>		
Depreciation of other tangible assets	-	39,362

## Unlimited Potential

### Detailed Income and Expenditure Account for the Year Ended 31 March 2015

..... *continued*

	2015 £	2014 £
<b>Other interest receivable and similar income</b>		
Bank interest receivable	<u>2,791</u>	<u>3,509</u>
	<u>2,791</u>	<u>3,509</u>
<b>Interest payable and similar charges</b>		
Other interest payable	<u>-</u>	<u>16</u>
	<u>-</u>	<u>16</u>