

REGISTERED COMPANY NUMBER: 07221470 (England and Wales)
REGISTERED CHARITY NUMBER: 1136377

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
3SPACE
(LIMITED BY GUARANTEE)

**3SPACE
(LIMITED BY GUARANTEE)**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 9
Statement of Financial Activities	10
Balance Sheets	11 to 12
Statement of Cash Flows	13 to 14
Notes to the Financial Statements	15 to 22

**3SPACE
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the audited financial statements of the charity for the year ended 31 March 2021. 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 2019).

The Charity is also registered with the Office of Scottish Charity Regulator (OSCR) number SC042130.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects ("Objects") are specifically restricted to the following:

- (1) To promote the efficiency and effectiveness of charities and the effective use of charitable resources for the benefit of the public by providing charities, non-profit or community organisations with access to property in otherwise vacant units on a non-commercial basis; and
- (2) To promote charitable use of property as a means of empowering communities, regenerating areas, developing a robust community sector, supporting social enterprise and delivering public benefit.

Significant activities

The charity's work involves signing short-term, meanwhile use, leases on empty commercial properties, which are then made available to charitable organisations, social enterprises, recognised community groups and qualifying local start-up businesses.

ACHIEVEMENTS AND PERFORMANCE

How our activities deliver public benefit

Our main activities and who we try to help are described below. Our activities focus on providing charities, not for profit organisations and qualifying local start-up businesses with access to properties in which they can carry out their own activities for public benefit.

During the period, the charity provided space to over 170 organisations. Organisations who used our spaces have included registered charities (with a primary focus on education, unemployment, health, sport, arts, youth entrepreneurship, start-up business and food poverty), universities, social enterprises, community groups, qualifying local start-up businesses and Local Authorities.

Projects running in the charity's properties have continued to expand the reach of voluntary and community sector organisations at a time when traditional models of service delivery have been under pressure if not out-of-reach.

A brief summary of activities undertaken by beneficiary organisations during the period is included below:

The BuyGiveWork model continues to be employed using the 'Buy One Give One' approach that 3Space has pioneered in the property sector. BuyGiveWork means for every desk rental (supplied at below-market rate), one is provided free of charge to a qualifying non-profit, local start-up, or experimental project. This model enables the space to support a wide base of charitable projects and encourages collaboration between locals and non-locals.

The charity's major project during the period is International House, in partnership with Lambeth Council. 3Space was selected in September 2018 via a competitive tender to take the former Council office in Brixton on a five year Meanwhile Use to expand its BuyGiveWork program. International House remains in Council ownership and has been earmarked for redevelopment after five years as part of the Brixton Central masterplan. 3Space's interim activity will play a part in informing these future regeneration plans. The charity committed to a total rent payment to Council of £1.1 Million over 5 years with a 1 year rent free period. Quarterly payments have continued through the reporting period and throughout the uncertainty of Covid-19.

**3SPACE
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The building is split over 12 floors with five Give floors provided to support youth entrepreneurship, community initiatives and the arts. Five Buy floors are let at a below market rate to support Lambeth's drive to diversify Brixton's economic offer away from food & drink and retail, and towards the Creative & Digital Industries. The top two floors were scheduled to be used for free of charge co-working, meeting and hospitality offer.

In December 2020 the charity commissioned economics consultancy PRD to prepare a report on International House which demonstrated its value to London Borough of Lambeth as well as alternative options for the future development plans proposed for the building. A summary of the report findings is as follows:

Typical Annual Outputs of International House

In International House has delivered the following benefits:

- 230 New jobs
- 337 People employed
- 111 Lambeth residents employed
- New jobs created during Covid 19
- 130 Businesses had access to space
- 22 New youth led businesses started
- 300 Events a quarter
- 58 Non-profits & social enterprises have a home free of charge
- 30 NEET young people into employment per year (2019)
- 20 Apprentices employed per year (2019)
- 64 Work experience placements per year (2019)
- 2,800 Attended training per year (2019)
- 4,916 Volunteers per year (2019).

Valuing these Outputs

Using standard accepted measures, it is possible to come up with an approximate gross value of each of these:

- 337 Jobs provided on site provides gross contribution of £15.9m GVA for the local economy
- 230 new jobs created account for £11m of GVA
- Tenants report increase in turnover and employment. Turnover now c £12m amongst tenants
- £800,000 rent foregone to civil society per year = effective donation to these activities
- £2.6m of social value generated per year (estimated at 15 x typical office building)

To provide a more effective net figure for policy analysis additionality is applied to the core GVA (derived from earning in the building to give an approximate value of activity within International House):

- Displacement of 35% (i.e. we assume that a proportion of the activity within International House would have happened in some form in the borough, if International House had not moved forward in its current form). This is lower than would normally be the case, but reflects a more curatorial approach and the fact that a number of the larger occupiers came from outside of the borough.
- Leakage of 20% (i.e. 20 p of every £ in value leaves the borough as staff or suppliers are not based in Lambeth). This is lower than might be typical given the number of local people working or supported in the building
- Deadweight of 20%, Assumes that some of the activity would have taken place in the borough
- A standard multiplier 1.2 which reflects the recycling of value generated within the local economy

Allowing for this gives a rough net annual added value of c **£5m per year. With additional benefits of £3.4m in direct benefits to charities and social value.**

**3SPACE
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Benchmarking

Although International House is located in an office and provides workspace, it is wrong to simply classify it as a managed workspace project. The interface between private businesses, civil society, start-ups, charities, culture and creation make it unlike a typical market led 'product'; it is therefore difficult to benchmark it against other developments.

Based on the impact numbers presented here however, it is reasonable to argue that a purpose-built office would deliver similar (or slightly higher) employment numbers and density than is currently achieved at International House.

Social value is clearly a more significant differentiator. Comparing International House to a proposed development in the north of Lambeth using similar metrics shows that the **new development is estimated to deliver £27psqm social value. This compares to £413psqm at International House.**

The list of organisations the project continues to support across the different floors are:

1. Business Launchpad is the delivery partner for the Youth Entrepreneurship floor. Business Launchpad is a registered charity with a track record of working with young people and helping them develop business ideas, delivering workshops and providing business support.

They moved into the building in Spring 2019 and quickly tenanted their floor with a range of youth organisations and start-ups led by young people including 2-3 Degrees, Besty's Inspirational Guidance, Black Beauty Fashion Awards, Blanktile Limited, Building Young Brixton, The Dream Project, Ethical Events Academy, EET Group, Fountains of Hope, Grooveschool, Iconic Steps, Juvenis, Karismatic Minds, Lola Jagun, Mental Health The Arts, Milk and Honey, Moneyjar, New Ground Creations, Nimble App Genie, Our Space, Period Link, Policy Centre for African Peoples, Indiaspora, She Is You UK, Spiral Skills, Split Banana, Step Now, We are Pomegranate, We Working, Women Like Me. This floor is provided free of charge to BLP and their end users.

2. Photofusion is the delivery partner for the Photographic Services Floor. Photofusion is a registered charity and London's largest photographic resource centre. They moved to International House having been unable to afford a rent increase on their existing site and were at risk of displacement from the Borough. The centre's facilities include digital suites, darkrooms, exhibition production services and picture library alongside a contemporary gallery which places an emphasis on showcasing emerging photographers, alongside new work by mid-career artists. The exhibition programme includes artist talks, panel discussions and occasional related masterclasses or workshops.

Alongside its professional development and training programmes, Photofusion delivers a range of crucial outreach engagement projects, working with socially and culturally marginalised young people, offering photographer-led creative programmes, skills-based accredited courses, bursaries and internships in collaboration with local organisations and a range of funding partners.

This floor is provided rent free but Photofusion pay a service charge as some of the services they offer are paid for.

3. The Community Initiatives floor is available free of charge to local charities, non-profits and social enterprises who are based in Lambeth or who deliver programs which directly benefit Lambeth residents. During this period the floor was used by Contemporary Arts & Learning, The Ascension Agency, Asylos, Action Plus Foundation, ARCS Lambeth, Be Enriched, Be Her Lead, Brixton People's Kitchen, Brixton Bugle, Brixton Neighbourhood Forum, Brixton £, The Brixton Project, Built By Us, Collected Creative, The Crowd, Clapham Film Unit, Cocoon Family Support, Code 7 Ltd, Commons Legal, Compliments of the House, Creative Society co Soul Hostel, Edible Lambeth, Empathy Museum, Father Nature, Girls United, Global Entrepreneurs UK, Global Urban Design, How do I?, Independent Film Trust, Kelly's Cause Foundation, Kent Opera, Lambeth Larder, Lambeth Food Partnership, Library of Things, Lee Lawrence Consultancy, Lerato Community Initiative, LTEN, Mi Comput Solutions, Migrateful, The Multi-Story Orchestra, One Tech, Open Ownership, Project Access, Rapport Festival, Refuaid, Refugees At Home, Respeito, Restart Project, School Ground Sounds, Social Value World, StrongBack Productions, Student Development CIC, Student Hubs, Topcats, Urban Growth London, Wandsworth Food Partnership, We Are Oxygen Arts, We Rise, Youth In Excellence.

**3SPACE
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The floor is provided free of charge, but tenants are encouraged to pay into a future rent deposit scheme to build up a rent fund for any subsequent workspace. This is returned in full when the tenant moves out or the project comes to an end.

4. The Events and Projects spaces are across the ground floor and are available free of charge to the buildings tenants and have been extensively used for a range of different types of use with a mixture of workshops, training, meetings and public facing events. The use of the Event Space is free of charge to use which removes any barrier for our tenants who might otherwise not be able to afford access to centrally located and well-equipped event space, specifically young people and local charities.

5. The 5th Give Hub is a fabrics and textiles studio managed by Assemble, a Turner prize-winning art and design collective. Its tenants include many local and new start-ups including over 50% from BAME backgrounds. The tenants are United 80, Ceres Collective, Norn Design, House of Kanai, SCRT, Kangan Arora, Alice Early, White Weft, SmithMatthias Ltd, Katherine Lovett, Eon Glenn, Fiona Daly Textiles, Yoree Ko, Miranda Stanford, Yusun Lee, Panda LDN Clothing, Stitch School, Denim Recon London, BAPTISTE, Joanna Saarinen, Nicola Hutchinson Design.

This floor is provided rent free but Assemble pay a service charge and they in turn charge an affordable rental fee for textiles and fashion start-ups using the space.

The 5 Buy Floors are tenanted by a mixture of freelancers, start-ups and scaleup businesses. All of the Buy Floor tenants are subject to a points-based allocation system which has been formalised in a Tenant Allocation and Marketing Strategy document that was drawn up with Council to align with the Borough's economic regeneration plans. The start-ups and scaleups who have benefited from the use include: Brixton BID, South London Cares, Resi, KYND, Gravity Sketch, Insurance Supper Club, Think Social PR, Halligan Charney, Fixperts, Big Pitcher, Nat Darke, Swell Publicity, Minerva Tutors, Copy by Claire, SEF Ltd, Amazing Productions, Hello Self, Room Lab, Fellow Studio, 350.0rg, Synergy Theatre, Drew London, National Energy Action, Design Squared, How Do I?, Mundarzi, SEF, Zinc, Channel Creative, Andor Merks, Richard Neild, Damn Fine Media, Green Party MEP, Flying Leaf, Expert Impact, Tippl, Folie a Deux Productions, Banymandhub Events and Garrett Mears.

International House continues to be recognised by the Living Wage Foundation as Living Wage Building. It was the first Living Wage Building in UK and secured this status for the first time in 2019. This means that any organisation working from the building and their employees are required to be paid the London Living Wage. This is managed by a licence agreement with the tenants and is monitored via half yearly reporting requirements.

International House was 2020 winner of the Meanwhile Use category in the New London Awards 2020. The jury commented on the importance of the 3Space business model, which includes the BuyGiveWork initiative. International House was also shortlisted with five other projects for the overall Community Prize.

In March 2020 3Space were successful in securing a new project in Harlesden, London called Harlesden Canalside. The proposal was for consultants REDO, We Made That and PRD to work with the Old Oak and Park Royal Development Corporation (OPDC) and the boater and resident community to bring to life an under-utilised stretch of the canal side. The aim of the 5-year project was to create a flagship facility which boat dwellers, local residents, workers and visitors can use for decades to come. 3Space was due to operate the facilities starting in 2022 for up to 5 years before handing over to a suitable community organisation. However, after a key consultation phase in early 2022, the landowners were unable to agree a way forward and decided they did not wish to continue with the project in the original format. The project will now focus on public realm which doesn't require an operator. The contract was cancelled in November 2021, which is outside of this reporting period. Whilst this is disappointing, much of the work was undertaken by consultants which meant there was very limited risk or cost impact on 3Space.

Further details of additional past projects can be found on the Charity's website.

During the period, the charity has continued to work with and develop its Advisory Panel - a group of experts from the property, regeneration and marketing sectors - who provide advice and direction. 3Space hugely appreciates the time, effort and valuable support generously given by the members of the Panel.

**3SPACE
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Impact of Covid-19

As a result of the pandemic several Buy tenants at International House terminated their licence agreements and as a result the charity experienced a significant reduction in revenue. However, during the April to June lockdown 3Space received financial support from Lambeth Council in the form of payment for all Buy tenants' rent. Towards the end of 2020 and in early 2021 3Space also saw increasing interest in our Fixed Desk offering and also secured new Buy office tenants. The charity has also been able to hold onto most of its Buy tenants through this difficult period and has used the UK government furlough programme and other cost savings measures to reduce costs as much as possible. The charity lost a major Buy tenant in early 2021 but has continued to receive interest in the space throughout 2021 and currently expects to find a tenant for the space in 2022. Whilst revenues have not returned to March 2020 levels they have recovered significantly. At the time of writing the Omicron strain is again having an impact on use of space by Buy tenants. We have received notice from one tenant and expect this to have further impact should lockdowns be implemented. However, 3Space remains in a stable position with sufficient reserves which can be used to cover running costs. 3Space has continued to receive inquiries about Buy space and is confident its offer will continue to be attractive to the market as more organizations seek affordable local workspaces on flexible terms.

Planning permission was received for 10th and 11th floors for a coworking and hospitality venue at International House in 2020. However, the project hospitality partner Civic could not secure investment to proceed due to the Covid-19 pandemic and the impact this had on the sector. The rooftop is currently being used as a recreation space in the summer months for tenants. The charity continues to explore options for more public and intensive use working within the constraints of the limited remaining lease length and the continuing impact of Covid-19 on the sector.

FUTURE DEVELOPMENTS:

3Space continues to work on securing new properties to deliver greater impact. Its goal is to replicate the success of International House and expand its operations by opening a flagship hub in each quadrant of London in the next 5 years. 3Space will continue to focus on the public sector and opportunities to use publicly owned assets to implement its Spaces for Public Good approach. 3Space is well placed to secure government tenders for affordable workspace and the delivery of social value. The charity will also continue to explore opportunities to expand its reach and impact working with the private sector.

FINANCIAL REVIEW

The financial position of the charity and its subsidiary undertaking is satisfactory. The charity's consolidated statement of financial activities shows net income of £108,717 (2020: £219,990) and total reserves of £408,657 (2020: £299,940).

Investment policy and objectives

Under its Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish. The trustees, having regard to the liquidity requirements of operating the charity have maintained a policy of keeping available funds in interest bearing deposit accounts.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, at a level which the trustees think appropriate after considering the future commitments of the charity and the likely administrative costs of the charity for the next year. As at 31 March 2021 the charity has total unrestricted funds of £17,401 (Group: £408,657).

**3SPACE
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

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.

In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The initial Trustees founded the company due to their interest in the aims of the charity as set out below.

Organisational structure

Trustees meet informally on a regular basis to manage the activities of the charity, which are organised by the executive management committee.

A Trustee is required to sign any property lease that the charity enters into.

Induction and training of new trustees

All Trustees have read the guidance issued by Charity Commission concerning their roles and obligations.

Trustees can retire when they wish as they do not serve under a fixed term.

Risk management

The Trustees have conducted a full risk assessment of the organisation. Various systems and checks have been put into operation and these are reviewed annually.

The Trustees are satisfied that systems are in place to mitigate our exposure to those major risks.

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07221470 (England and Wales)

Registered Charity number

1136377

Registered office

105 Eade Road
OCC Building A
2nd Floor, Unit 11a
London
N4 1TJ

Trustees

Mr A J Brown	(Property Professional)
Mr N D Elliot	(Property Professional)
Mr W Hyslop	(Property Professional)

**3SPACE
(LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Accountants

DAS Accounting Services Ltd
105 Eade Road
OCC Building A
2nd Floor, Unit 11a
London
N4 1TJ

Auditors

Glazers Chartered Accountants
843 Finchley Road
London
NW11 8NA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of 3Space for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, The Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditor, Glazers Chartered Accountants, is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

SMALL COMPANY PROVISIONS

The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by order of the board of trustees on 29 December 2021 and signed on its behalf by:



.....
Mr A J Brown - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
3SPACE
FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of 3Space (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

Opinions on other matters 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
3SPACE
FOR THE YEAR ENDED 31 MARCH 2021**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed



Philippe Herszaft (Senior Statutory Auditor)
for and on behalf of Glaziers Chartered Accountants
843 Finchley Road
London
NW11 8NA

Date: 29 December 2021

**3SPACE
(LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

		2021 Unrestricted fund £	2020 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Other trading activities:	3		
Trading income		1,101,484	1,349,490
Investment income	4	<u>44</u>	<u>181</u>
Total		1,101,528	1,349,671
 EXPENDITURE ON			
Charitable activities			
Charitable activities	5,6	(326,301)	(474,754)
Expenditure on raising funds:			
Trading costs	7	<u>(664,315)</u>	<u>(652,274)</u>
Total		(990,616)	(1,127,028)
 NET INCOME BEFORE TAX		110,912	222,643
Taxation		<u>(2,195)</u>	<u>(2,653)</u>
 NET INCOME FOR THE YEAR		108,717	219,990
 RECONCILIATION OF FUNDS			
Total funds brought forward		299,940	79,950
 TOTAL FUNDS CARRIED FORWARD		<u><u>408,657</u></u>	<u><u>299,940</u></u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

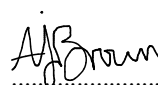
The notes form part of these financial statements

**3SPACE
(LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET
31 MARCH 2021**

		2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS	Notes		
Tangible fixed assets	12	195,413	271,785
Investments	13	10,000	10,000
CURRENT ASSETS			
Debtors	14	157,683	186,474
Cash at bank		<u>424,414</u>	<u>240,853</u>
		582,097	427,327
CREDITORS			
Amounts falling due within one year	15	(378,853)	(409,172)
		<u>203,244</u>	<u>18,155</u>
NET CURRENT ASSETS			
		<u>408,657</u>	<u>299,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>408,657</u>	<u>299,940</u>
NET ASSETS		<u>408,657</u>	<u>299,940</u>
FUNDS	17		
Unrestricted funds		<u>408,657</u>	<u>299,940</u>
TOTAL FUNDS		<u>408,657</u>	<u>299,940</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 December 2021 and were signed on its behalf by:



Mr A J Brown - Trustee

The notes form part of these financial statements

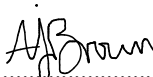
**3SPACE
(LIMITED BY GUARANTEE)**

**BALANCE SHEET
31 MARCH 2021**

	Notes	2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS			
Investments	13	10,100	10,100
CURRENT ASSETS			
Debtors	14	95,524	356,793
Cash at bank		<u>166,947</u>	<u>137,744</u>
		262,471	494,537
CREDITORS			
Amounts falling due within one year	15	(255,170)	(299,058)
		<u>7,301</u>	<u>195,479</u>
NET CURRENT ASSETS			
		17,401	205,579
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>17,401</u>	<u>205,579</u>
NET ASSETS			
		<u>17,401</u>	<u>205,579</u>
FUNDS	17		
Unrestricted funds		<u>17,401</u>	<u>205,579</u>
TOTAL FUNDS		<u>17,401</u>	<u>205,579</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29 December 2021 and were signed on its behalf by:


.....
Mr A J Brown - Trustee

The notes form part of these financial statements

3SPACE
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	209,194	372,797
		<hr/>	<hr/>
Net cash generated from operating activities		<u>209,194</u>	<u>372,797</u>
Cash flows from investing activities			
Purchase of fixed assets		(25,677)	(247,729)
Interest received		<u>44</u>	<u>181</u>
Net cash provided by/(used in) investing activities		<u>(25,633)</u>	<u>(247,548)</u>
Change in cash and cash equivalents in the reporting period		183,561	125,249
Cash and cash equivalents at the beginning of the reporting period		<u>240,853</u>	<u>115,604</u>
Cash and cash equivalents at the end of the reporting period		<u><u>424,414</u></u>	<u><u>240,853</u></u>

The notes form part of these financial statements

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	108,717	219,990
Adjustments for:		
Interest received	(44)	(181)
Interest paid	-	-
Depreciation	102,049	95,937
(Increase)/decrease in debtors	28,791	(159,448)
Increase/(decrease) in creditors	<u>(30,319)</u>	<u>216,499</u>
Net cash generated from operations	<u><u>209,194</u></u>	<u><u>372,797</u></u>

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATEMENT OF COMPLIANCE

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling, which is the functional currency of the entity.

The charity constitutes a public benefit entity as defined by FRS102.

Consolidation

The group financial statements incorporate the audited financial statements of the company and its wholly owned subsidiary, 3Space Trading Ltd, whose financial statements are made up to the same date as the holding company 31 March 2021.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 an ongoing 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.

The trustees do not consider there are any critical judgments or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Going Concern

The trustees are of the opinion that, despite the uncertainties caused by the corona virus pandemic, with a robust business continuity plan and existing reserves, 3Space is able to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are associated with the governance arrangements of the company and charity and relating to the

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Governance costs – continued

general running of both. These costs include audit, legal advice for trustees and costs associated with meeting constitutional and statutory requirements such as the cost of trustee meetings and the preparation of the statutory accounts.

Fixed assets

Fixed assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	Over the period of the 5 year lease
Fixtures and fittings	25% on cost
Computer equipment	33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

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. There are no restricted funds as at the Balance Sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible reference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Investments

Unlisted equity investments are initially recorded at cost and subsequently measured at cost less impairment.

3. OTHER TRADING ACTIVITIES

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Trading income	<u>1,101,484</u>	<u>1,101,484</u>	<u>1,349,490</u>

4. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Deposit account interest	<u>44</u>	<u>44</u>	<u>181</u>

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. COST OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Provision of workspace	319,014	319,014	463,777
Support Costs (see note 8)	7,287	7,287	10,977
	<u>326,301</u>	<u>326,301</u>	<u>474,754</u>

6. COST OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support Costs	Total Funds 2021	Total Funds 2020
	£	£	£	£
Provision of workspace	319,014	3,291	322,305	465,442
Governance Costs		3,996	3,996	9,312
	<u>319,014</u>	<u>7,287</u>	<u>326,301</u>	<u>474,754</u>

7. COST OF OTHER TRADING ACTIVITIES

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Trading costs	<u>664,315</u>	<u>664,315</u>	<u>652,274</u>

8. ANALYSIS OF SUPPORT COSTS

	Management	Finance	Governance	Total
	£	£	£	£
Provision of workspace	<u>3,210</u>	<u>81</u>	<u>3,996</u>	<u>7,287</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2021	2020
	£	£
Auditors' remuneration	3,000	3,600
Depreciation	102,049	95,937
Other operating leases	<u>206,400</u>	<u>325,151</u>

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. STAFF COSTS AND EMOLUMENTS

	2021	2020
	£	£
Wages and salaries	256,095	219,572
Social security costs	23,967	20,439
Pension costs	5,194	4,632
	<u>285,256</u>	<u>244,643</u>

The average number of employees during the year was as follows:

	2021	2020
Administrative staff	<u>6</u>	<u>6</u>

The number of employees whose remuneration for the year fell within the following bands were:

	2021	2020
£60,000 to £69,999	-	1
£70,000 to £79,999	<u>2</u>	<u>-</u>

Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £140,000 (2020: £117,939)

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. TANGIBLE FIXED ASSETS
Group

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
As at 1 April 2020	360,679	34,414	26,671	421,764
Additions	20,343	669	4,665	25,677
As at 31 March 2021	<u>381,022</u>	<u>35,083</u>	<u>31,336</u>	<u>447,441</u>
DEPRECIATION				
As at 1 April 2020	108,217	24,258	17,504	149,979
Charge for the year	90,935	2,770	8,344	102,049
As at 31 March 2021	<u>199,152</u>	<u>27,028</u>	<u>25,848</u>	<u>252,028</u>
NET BOOK VALUE				
As at 31 March 2021	<u>181,870</u>	<u>8,055</u>	<u>5,488</u>	<u>195,413</u>
As at 31 March 2020	<u>252,462</u>	<u>10,156</u>	<u>9,167</u>	<u>271,785</u>

13. FIXED ASSETS INVESTMENTS
Group

Group	Unlisted investments £	Totals £	
COST			
At 1 April 2020 and 31 March 2021	<u>10,000</u>	<u>10,000</u>	
NET BOOK VALUE			
At 31 March 2021	<u>10,000</u>	<u>10,000</u>	
At 31 March 2020	<u>10,000</u>	<u>10,000</u>	
Company	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 April 2020 and 31 March 2021	<u>100</u>	<u>10,000</u>	<u>10,100</u>
NET BOOK VALUE			
At 31 March 2021	<u>100</u>	<u>10,000</u>	<u>10,100</u>
At 31 March 2020	<u>100</u>	<u>10,000</u>	<u>10,100</u>

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

FIXED ASSETS INVESTMENTS - continued

The charity owns the entire issued share capital of subsidiary undertaking, 3Space Trading Ltd, a company incorporated in England and Wales. The registered company number of the subsidiary undertaking is 07303254 and the registered address is 105 Eade Road, OCC Building A, 2nd Floor, Unit 11a, London N4 1TJ. The financial statements of the subsidiary undertaking are made up annually to 31 March.

The aggregate capital and reserves of the subsidiary undertaking for the year ended 31 March 2021 totalled £391,356. The profit for the year totalled £278,485.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	61,714	101,036	58	-
Amounts owed by group undertakings	-	-	-	271,858
Other debtors	4,860	4,860	4,357	4,357
Prepayments	64,500	64,663	64,500	64,663
Accrued income	26,609	15,915	26,609	15,915
	<u>157,683</u>	<u>186,474</u>	<u>95,524</u>	<u>356,793</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	649	50	-	50
Taxation and social security	74,242	56,464	-	-
Other creditors	300,062	344,558	251,270	290,908
Accrued expenses	3,900	8,100	3,900	8,100
	<u>378,853</u>	<u>409,172</u>	<u>255,170</u>	<u>299,058</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	206,400	206,400
Between one and five years	294,049	500,449
	<u>500,449</u>	<u>706,849</u>

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. MOVEMENTS IN FUNDS
Group

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	299,940	108,717	408,657
TOTAL FUNDS	<u>299,940</u>	<u>108,717</u>	<u>408,657</u>

Company

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	205,579	(188,178)	17,401
TOTAL FUNDS	<u>205,579</u>	<u>(188,178)</u>	<u>17,401</u>

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

Group

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,101,528	(992,811)	108,717
TOTAL FUNDS	<u>1,101,528</u>	<u>(992,811)</u>	<u>108,717</u>

Company

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	509,141	(697,319)	(188,178)
TOTAL FUNDS	<u>509,141</u>	<u>(697,319)</u>	<u>(188,178)</u>

Comparatives for movement in funds
Group

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	79,950	219,990	299,940
TOTAL FUNDS	<u>79,950</u>	<u>219,990</u>	<u>299,940</u>

**3SPACE
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

17. MOVEMENTS IN FUNDS - continued
Company

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	82,840	122,739	205,579
TOTAL FUNDS	<u>82,840</u>	<u>122,739</u>	<u>205,579</u>

Comparative net movement in funds, included in the above are as follows:

Group	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,349,671	(1,129,681)	219,990
TOTAL FUNDS	<u>1,349,671</u>	<u>(1,129,681)</u>	<u>219,990</u>

Company	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	597,493	(474,754)	122,739
TOTAL FUNDS	<u>597,493</u>	<u>(474,754)</u>	<u>122,739</u>

18. RELATED PARTY DISCLOSURES

Included in Other trading costs is an amount of £7,939 paid to a company which has a director in common with the charity's subsidiary undertaking. The trustees considered the guidance on payments to related parties and are satisfied that the amounts paid are at arm's Length and in the best interest of the group.

Other than disclosed above, no transactions with related parties were undertaken such as are required to be disclosed under Charities SORP (FRS102).

19. LIMITED BY GUARANTEE

The charity is a company limited by guarantee and has no share capital. The liability of each trustee in the event of winding up is limited to £1.

20. RESULTS OF THE CHARITABLE COMPANY

As permitted by section 408 of the Companies Act 2006, the parent undertaking's income and expenditure account has not been included in these financial statements. The net deficit for the year attributable to 3Space is £188,178 (2020 surplus: £122,739).