

COMMUNITY OPPORTUNITY

Registered Charity No. 1194525
Registered Company No. 11098511

TRUSTEES ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

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LEGAL & ADMINISTRATIVE DETAILS

Community Opportunity (limited by guarantee)

Registered office	46 Reverdy Road London SE1 5QD
Charity registration number	1194525 (Registered 19 May 2021)
Company registration number	11098511
Trustees	Dr Anita Mitra (Chair) Ola Adegbenro (appointed 20 July 2021) Ashkan Fathi (appointed 20 July 2021) Oluwakemi Awolola (appointed 20 July 2021, resigned 5 April 2022) Vincenzo Martinelli (appointed 19 October 2021, resigned 5 April 2022) Juliet Kemp (resigned 20 July 2021) Kathleen Salawu (resigned 29 June 2021)
Chief Executive Officer	Emma Snow
Bankers	Barclays Bank UK plc 1 Churchill Place London E14 5HP
Independent Examiners	Price Bailey LLP Tennyson House Cambridge Business Park Cambridge CB4 0WZ

TRUSTEES' REPORT

(Incorporating a Directors' Report)

Objectives

The objects of the Charity are, for the benefit of the public, the promotion of urban or rural regeneration in areas of social and economic deprivation, and in particular in Bermondsey in the London Borough of Southwark, by all or any of the following means:

- (a) the relief of unemployment;
- (b) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
- (c) 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;
- (d) the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms;
- (e) the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, have need of such facilities;
- (f) the provision of public health facilities and childcare;
- (g) such other means as may from time to time be determined subject to the prior written consent of the Charity Commission for England and Wales.

We currently work in the area of the Blue Bermondsey in London, SE16, focusing on urban regeneration initiatives in this area of social and economic deprivation. This is evidenced by a range of statistics including the MOPAC statistics on knife crime.

Once the historic heart of Bermondsey, and its main shopping district, the Blue had a thriving street market which was bigger than Borough. Following closure of the docks and food factories which employed many local families, many people became workless or underemployed and this has passed on to future generations. Whilst the construction of Bermondsey tube station brought welcome accessibility to the area, the location of the station on the other side of the railway away from the Blue has dispersed footfall. The arrival of Surrey Quays shopping centre has also acted as a magnet to suck footfall away from the Blue. In the 8 years to 2017, this culminated in the market dwindling to one to

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(Incorporating a Directors' Report)

three stalls, shops becoming hard to let, many vacant shops, and the only available tenants being betting shops and payday lenders. The Blue had one of the biggest clusters of betting shops, pawn shops and payday lenders in the country.

The Blue had higher than average crime. From the MOPAC statistics in July 2018, Southwark had the highest level of knife crime of all London boroughs, with 860 offences in the past year and an increasing level of knife crime over the past four years. Of all the wards in Southwark, South Bermondsey had the third highest offending rate for knife crime, with the the Blue being a hotspot. The local college was closed five years ago. The Blue Youth Centre was closed in 2015 following funding cuts and a stabbing. In 2018, the community was shocked by a fatal stabbing in broad daylight next to the primary school, children's playground and disused football pitch. In October 2020, another attack happened next to the parents at school collection time, this time with a gun involved. This illustrates one of the ways our community has been hard hit by COVID increasing youth unemployment which has led to escalating drugs crime.

Community Opportunity was set up by a group of local people. We decided we'd had enough of seeing our area run down and we want to see useful market stalls, shops and community activities filling our high street and public spaces and providing jobs for unemployed people, particularly people with disabilities and carers who need to work from home.

Activities

So far our activities have included:

- Setting up new business incubator stalls at the Blue Market, from October 2017. Following three years of successful operation, the stalls were then taken on longer term by Big Local Works.
- Setting up a new business incubator community pop up shop, Bermondsey Uprising, in a disused former bank at the Blue, from February 2018.
- Setting up a new business incubator textile makerspace, Almond Studio, from autumn 2019. This was originally in another temporary shop, Made in Bermondsey, which was used for community consultation for the regeneration programme before being demolished to form part of a new shortcut from Bermondsey tube station to the Blue. The makerspace then moved to Bermondsey Uprising in January 2021, to deliver a COVID emergency project.
- Fundraising work for regeneration on behalf of the Blue Bermondsey Business Improvement District, including co-ordinating a successful application to the

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Mayor of London's LEAP Good Growth Fund for £2m capital improvements at the Blue. This application was led by Southwark Council with three local named community partners: Blue Bermondsey Business Improvement District, Community Opportunity and Big Local Works.

- Partner and Community Coordinator for the LEAP Good Growth Fund 2 year Blue Bermondsey Community-Led Regeneration Programme, which was successfully completed in September 2021.
- Partner for the Southwark Council Local Access Programme. Our application was awarded £5.6m by Access and Big Society Capital, in order to support social entrepreneurs and charities in Southwark over the next five to ten years. Delivery is expected to start in 2022.

Outcomes**Business incubator textiles makerspace: Almond Studio**

- The textiles makerspace was piloted at the Made in Bermondsey community engagement pop up shop in Autumn 2019 as part of the Blue Bermondsey regeneration programme activities. It then moved to Bermondsey Uprising, 210-212 Southwark Park Road, from January 2021.

The textiles makerspace initiative consists of a number of projects with various funders:

- Development of the textiles makerspace as a new community business, including employing a Makerspace Manager - funded by Power to Change from January 2020 to December 2020.
- After lockdown prevented any face to face sewing training, the textiles makerspace ran a Scrub Hub, supporting volunteers sewing PPE for COVID emergency response at home, from March 2020 to September 2020. We sewed and distributed hundreds of cloth face masks to the local community, through an online shop with a "buy one, give one" offer. Free face masks were distributed to older people, people with disabilities, their household members and carers, and NHS workers. Guy's & St Thomas' Charity funded the materials costs for this.
- Next, the textiles makerspace ran a Textiles Homeworking Collective project from October 2020 onwards. This project teaches unemployed people to sew professionally at home through online courses and a virtual classroom. We particularly targeted people with disabilities and carers. The first course has been funded by Power to Change CCLORS, the National Lottery Fund, and City Bridge Trust. This is a stage 1 course which takes people from complete

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beginner level to being able to sew a bag. We offered 50 places on the course and were oversubscribed within two days of advertising it. In total we received 300 applications and increased our course places to 100 in order to respond to this. The students started the course in March 2021 and completed it between Summer and Autumn 2021.

- We had been awarded funding to convert a railway arch into a new textiles makerspace, as Southwark Council wished to re-let the temporary shop space we were occupying at market rent, once the regeneration programme in Bermondsey had finished. Due to COVID related delays, Network Rail took many months to grant permission for small businesses to occupy the space, by which time our funding had expired, so this could not progress.
- In the meantime, we have been offered use of a new textiles makerspace building in central Swindon, a short walk from Swindon mainline train station which is less than an hour from London. The premises are offered at a much lower rent than in London. This will be part of a new regeneration programme in central Swindon, which is one of the top 10 most deprived towns in the South West, with high unemployment. Swindon also has a large and growing Black, Asian and minority ethnic community who are not yet specifically targeted for support by many local services. It also has a fascinating and little-known social history with worker led health and education. Therefore Swindon shares many similarities with Bermondsey and is an appropriate future base for the charity.
- Community Opportunity trustees held a strategy away day in February 2022, where it was decided a base in Swindon is the best option for the charity's future focus, as it will still be possible to continue to support people in London with online sewing courses. We therefore moved from Bermondsey Uprising to Swindon in May 2022.

In the coming year, we aim to continue and strengthen our current activities above and develop new activities to meet community needs as opportunities arise, in line with our Theory of Change.

In particular, we will now fundraise for refurbishment and ongoing running costs for the new makerspace premises we have been offered in Swindon, as well as supporting local community development through fundraising consultancy for the wider Swindon regeneration programme.

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Partners and supporters

Local partner organisations

We work with a wide range of local partner organisations, in particular working closely day to day with the Blue Bermondsey Business Improvement District (BID), Big Local Works, Big Local South Bermondsey Partnership and Southwark Council.

Funders

We would like to thank our funders, who make our work possible. For the year ended 31 March 2022, our funders included:

City Bridge Trust: £50,000 for supporting new entrepreneurs through online professional sewing training and the formation of a Textiles Homeworking Collective

HMRC Coronavirus Job Retention Scheme: £16,997 for retaining jobs during COVID-19 through the furlough scheme

Southwark Council - Coronavirus Retail, Hospitality & Leisure: £7,650 for supporting local organisations through COVID-19 closures of their premises

Southwark Council - Neighbourhoods Fund: £2,950 for supporting new entrepreneurs through online professional sewing training and the formation of a Textiles Homeworking Collective

Please see Note 10 of these accounts for full details of grants in this year and the prior year.

At present, Community Opportunity is funded by grants, primary purpose social enterprise trading through our pop up shops and market stalls sales, and consultancy work for partners in relation to our charitable objectives. We do not ask individuals for donations, therefore we do not presently undertake any fundraising activity which is regulated by the Fundraising Standards Board.

Supporters

We would like to thank everyone else who has supported us, particularly our volunteers who have given their time to help their local community, and everyone who has so generously donated goods to our pop up shops.

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Financial review

Total income for the year ended 31 March 2022 was £93,967 (2021 - £234,468). Total expenditure for the year was £130,441 (2021 - £190,380). In total this led to a net negative movement in funds of £36,474 (2021 - £44,088 surplus), comprising unrestricted funds movement of £27,420 deficit (2021 - £57,914 surplus) and restricted funds movement of £9,054 deficit (2021 - £13,826 deficit). This is because some grant income was received in the prior year and spent this year. Year end balances on restricted grants are shown in the notes to the accounts.

Reserves policy & risks

Total reserves at 31 March 2022 stood at £32,967 (2021 - £69,441). This was made up of unrestricted funds of £32,967 (2021 - £60,387), which comprise the charity's free reserves, and restricted funds of £nil (2021 - £9,054), which comprise restricted grant income received in advance and not yet spent at the year end.

The trustees aim to grow the reserves over time to a level commensurate with the charity's longer term activities, ideally with reserves at a level to cover 3 months' income when the charity is fully operational during the height of a regeneration programme, approximately £50,000. This should be enough to enable the charity to weather most financial risks. At present the unrestricted reserves stand at £32,967 and cover 2 months' income.

Risks are reviewed regularly by the trustees and as part of the regeneration programme.

We have focused on grant funded activities during the year ended 31 March 2022. In light of COVID, we will continue to do so for the short to medium term.

Structure, governance and management

Community Opportunity is a charitable company limited by guarantee. We are a company registered in England and Wales, registered company no. 11098511. This was incorporated on 6 December 2017, when we became an unregistered charity. As our income grew, we applied to become a registered charity. From 19 May 2021, we became and we are now a registered charity (in England and Wales), registration no. 1194525.

Community Opportunity's governing documents are its Articles of Association. At 31 March 2022 there were 5 trustees who were also members (2021: 3), and who as required by the Articles of Association agree to contribute £1 in the event of the charity winding up. The

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trustees perform their work on a voluntary and unremunerated basis and are only reimbursed for minor costs such as transport to meetings.

Trustees are initially appointed for a term of 3 years. After this they can stand for re-election by the members for a further two terms, with the maximum length of service being 9 years.

Community Opportunity is governed by a board of trustees as set out below. The trustees meet at least four times per year.

All of our original trustees came to the end of their initial term of three years during 2021. Recruitment of the next tranche of trustees was delayed due to COVID. In order to ensure that the charity remained quorate, longstanding volunteers Juliet Kemp and Jo Edge stepped in as temporary trustees while the recruitment process took place. We appointed three new trustees in June 2021 and a fourth in October 2021, all from London. Now that the trustees have taken the decision to move to Swindon, we will look to change our board composition to include local people in Swindon.

Current trustees

Dr Anita Mitra	Trustee & Chair	Appointed Trustee 16 January 2018 Appointed Chair 19 November 2020
Ola Adegbenro	Trustee	Appointed 20 July 2021
Ashkan Fathi	Trustee	Appointed 20 July 2021

Other appointments

Oluwakemi Awolola	Trustee	Appointed 20 July 2021 Resigned 5 April 2022
Vincenzo Martinelli	Trustee	Appointed 19 October 2021 Resigned 5 April 2022
Juliet Kemp	Trustee (temporary)	Resigned 20 July 2021
Kathleen Salawu	Trustee	Resigned 29 June 2021

Employees

In the period to 31 March 2022 we employed 10 staff (2021 - 10) working 2.5 FTE between them (2021 - 4.5 FTE).

All jobs were advertised locally, including to unemployed people, and nationally on the CharityJob website.

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Principal risks and uncertainties

Risk management

The trustees have overall responsibility for ensuring that appropriate systems of financial and other controls are in place. Trustees are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that:

- The charity is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposal;
- Proper records are maintained, and financial information used internally or for publication is reliable, and;
- The charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, although not absolute, assurance against material misstatement or loss, and be proportionate given the size of the charity. They include:

- The adoption of a Strategic Plan and an Annual Plan and Budget by the Board of Trustees, updated for any new funding budgets awarded by funders during the year.
- Regular review of financial and operational results by the Senior Management Team and the Board of Trustees against these plans;
- A review carried out by the trustees with the external auditors of any matters raised for the attention of management;
- Clear rules for delegation of authority for expenditure;
- Health and safety risk management, review and monitoring procedures; and
- Critical incident reporting and review procedures.

Trustees review risk both using a traditional risk register approach on specific risks, and also through regular reporting on risks that threaten the success of our strategic and operational goals. The review includes looking at existing controls and plans for mitigation, and further required actions and improvements. Through this review the following risks were identified as the highest category risks for Community Opportunity for the coming period, all stemming ultimately from the ongoing COVID-19 pandemic.

Risk 1: Coronavirus – health risk to our visitors, students, traders, staff and volunteers from COVID; welfare risk to our staff if inadequately supported through COVID disruption; risk to our

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ability to provide services; risk to our financial position; reputational risk if matters ill-handled.

Mitigation actions: Extensive risk assessment protocols have been put in place for all activities, with mitigations at minimum meeting government guidelines and frequently exceeding them. Provision of welfare resources, training & support to staff on both the work and personal aspects of coping in a COVID-19 world. Put in place alternative remote delivery mechanisms for the vast majority of our activity. Coronavirus and its impact is the chief focus of trustees and the management team.

Risk 2: Failure to deliver on operational and strategic goals. This is always an underlying risk to any organisation, but with the current exceptional circumstances it is more than usually likely that re-prioritisation of plans may be needed.

Mitigation actions: Additional resources have been brought in to provide capacity to respond to the specific challenges of COVID-19 response. Funding has been bid for and secured to fund this work. We are being clear and transparent with both staff and external stakeholders that 'business as usual' will not always be possible. The management team are being stringent about agreeing what can realistically be achieved in these current times.

Risk 3: Drops in income reducing ability to grow or even maintain the organisation's current portfolio of charitable activities.

Mitigation actions: Working with external funders to establish funding levels for the future and ensuring we work within them. Staying abreast of general funding landscape and trends in view of COVID-19, and applying caution to future income assumptions. Maintenance of reserve levels sufficient to fund any short term drops in income until budget is adjusted if required to a sustainable position.

There are in addition to the above a number of other risks that whilst significant in aggregate, are not individually critical. The impact of these can in general be assessed to give an estimated financial impact; such as the likely range by which income may fall short of budgets, or the resources required to put right issues arising. The overarching insurance and mitigation against these risks is the holding of sufficient levels of free reserves to protect against them. The process for setting the level of reserves we hold is described in the Financial review section above.

Public benefit

The Charities Act 2011 requires charities to demonstrate that their work is of direct benefit

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to the public. When planning Community Opportunity's activities each year, the trustees take due regard of the Charity Commission's general guidance on public benefit.

Within the constraint of resources, and subject to any eligibility criteria for a specific service, Community Opportunity's services, described above, are available to everyone in London Borough of Southwark and in some cases beyond. We particularly target people from groups who are more in need. For example our business incubators are targeted at people on lower incomes or who face barriers to work such as people with disabilities, people who are carers, people who are unemployed, people who are homeless and people who are ex-offenders. We offer initial free and half price sessions for people on lower incomes who are starting market stalls, and provide initial equipment and insurance for them. We charge a percentage of sales rather than a fixed fee in our business incubator pop up shop, which means people on lower incomes do not need to pay upfront. This means that our business incubator initiatives successfully attract a significant proportion of people on lower incomes and who face barriers to work.

Statement of Trustees' responsibilities

The Trustees are responsible in accordance with applicable law and regulations for preparing the Annual Report of the Trustees, as well as the financial statements.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 charity and of the incoming resources and application of resources, including income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein. The maintenance and integrity of the charity's website is the responsibility of the trustees.

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

This Trustees' Report was approved by the trustees on 07 Dec 2022 and signed on their behalf by:



Dr Anita Mitra
Chair

Chair

Independent Examiner's Report to the Trustees of Community Opportunity for the year ended 31 March 2022

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2022 which are set out on pages 15 to 27.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Suzanne Goldsmith
Price Bailey LLP, Chartered Accountants
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 16 December 2022

STATEMENT OF FINANCIAL ACTIVITIES

Including Income and Expenditure Account

	Notes	2021-22 Unrestricted Funds £	2021-22 Restricted Funds £	2021-22 Total Funds £	2020-21 Total Funds £
Income from:					
Donations and legacies	2	-	-	-	-
Charitable activities:					
Social enterprise	2	3,902	52,950	56,852	98,544
Urban regeneration	2	225	-	225	48,024
Other income	2	36,890	-	36,890	87,900
Total income		41,017	52,950	93,967	234,468
Expenditure on:					
Charitable activities:					
Social enterprise	3, 4	52,535	62,004	114,539	108,342
Urban regeneration	3, 4	15,902	-	15,902	82,038
Total expenditure		68,437	62,004	130,441	190,380
Net (expenditure)/income		(27,420)	(9,054)	(36,474)	44,088
Net movement in funds		(27,420)	(9,054)	(36,474)	44,088
Reconciliation of funds:					
Total funds brought forward		60,387	9,054	69,441	25,353
Total funds carried forward		32,967	-	32,967	69,441

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

The accompanying notes on pages 17 to 27 form an integral part of this Statement of Financial Activities.

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2022
Registered Charity No. 1194525
Registered Company No. 11098511

	Notes	31 March 2022 £	31 March 2021 £
Current assets:			
Stock	7	1,102	1,102
Debtors	8	11,533	17,256
Cash at bank and in hand		30,866	134,321
Total current assets		<u>43,501</u>	<u>152,679</u>
Creditors: Amounts falling due within one year	9	(10,534)	(83,238)
Net current assets		<u>32,967</u>	<u>69,441</u>
Total assets less current liabilities		<u>32,967</u>	<u>69,441</u>
Total net assets		<u>32,967</u>	<u>69,441</u>
The funds of the charity			
Unrestricted funds	10, 11	32,967	60,387
Restricted funds	10, 11	-	9,054
Total charity funds		<u>32,967</u>	<u>69,441</u>

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

The Trustees consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These accounts, including this balance sheet and the notes on pages 17 to 27, were approved by the Board of Trustees of Community Opportunity on 07 Dec 2022, and are signed on its behalf by:



Dr Anita Mitra

Chair

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Basis of accounting

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities 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) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. Community Opportunity meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. Community Opportunity's legal status is shown on page 2.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

The accounts are in pounds sterling, which is the functional currency of the charity, and are rounded to the nearest £.

Going concern

The trustees consider that despite the COVID-19 pandemic, given the level of income already secured for the following financial year together with the existing reserves, and mitigating actions taken, including reducing staffing and operations, they have secured the immediate future of the charity. The budget for 2022/23 and forecast trading and cashflows up to December 2023 are monitored regularly by trustees to ensure that Community Opportunity remains operational and a going concern.

(b) Income

Income is recognised in these accounts where there is entitlement to the income, where it is probable that the income will be received, and where the amount can be measured reliably. Income received in advance of these criteria being met is deferred as a liability.

Income from Donations and Legacies

Donations and legacies includes donations and gifts, legacies, and all other income that is in substance a gift made on a voluntary basis. It also includes grants of a general nature provided by government and charitable foundations which are not conditional on delivery of certain levels or volumes of a service. The donation may be made towards the general aims of the charity (unrestricted), or towards a specific service or aim (restricted). Donations are recognised on receipt of the donation, or if earlier, at the point where there is a written obligation for a donor to pay a specified donation. Legacies are recognised at the point of probate being granted and the estate value can be estimated reliably.

Income from Charitable Activities

Income from charitable activities includes income earned from the supply of services under contractual arrangements, and from grants that specify the provision of a particular charitable service.

Income under contractual arrangements is recognised when the income falls due under the terms of the contract.

Income from grants that are subject to performance or other conditions are recognised when the conditions are deemed met. Where a grant agreement states that funding is conditional on eligible expenditure having been made, our entitlement to income matches expenditure incurred and so we recognise income when eligible expenditure is made. Where a performance related grant is given for charitable activity to be

NOTES TO THE FINANCIAL STATEMENTS

performed over a specified period of time, the entitlement arises and the income is recognised for the period of activity for which it is awarded. For example multi-year grants approved on the basis of annual budgets are recognised over the life of the multi-year charitable activity in line with the approved annual budgets.

The charity received government grants in respect of the Coronavirus Job Retention Scheme.

(c) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under the related activity. The expenditure comprises direct expenditure including direct staff cost attributable and allocated support cost where funded. Support costs represent central operational overheads such as Finance, Human Resources, Information Technology, and Office Services incurred in provision of services and the costs of governing the organisation. Support costs are allocated to activities on the basis of a percent on top of the expenditure supported as this is deemed the most appropriate measure of how such resources are used.

Expenditure on raising funds are those costs incurred in attracting donations and legacies. Charitable activities include expenditure associated with the provision of service to the beneficiaries and stakeholders of the charity, and cover both direct cost and allocated support cost relating to these activities.

(d) Fund accounting

The charity maintains various types of funds as follows:

Unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Designated funds are unrestricted funds transferred from general funds and set aside at the discretion of the Board of Trustees for particular purposes. The Trustees review the composition of the funds annually in order to assess their continued use and make new reserves in line with the future strategy of the charity.

The current status of designated and general funds is disclosed in note 10.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of key restricted funds are set out in note 15b to the financial statements.

(e) Tangible fixed assets and depreciation

Tangible fixed assets purchased for the charity's purposes and costing more than £2,000 are capitalised and included at cost, including any incidental expenses of acquisition. Depreciation is calculated so as to write off tangible assets on a straight line basis over the expected useful lives as follows:

Freehold buildings	50 years
Leasehold property improvements	Lesser of 10 years from date of purchase or lease period
Computer equipment	3 years
Motor vehicles, furniture, fixtures and equipment	5 years

NOTES TO THE FINANCIAL STATEMENTS**(f) Value added tax**

Irrecoverable Value Added Tax is included in the relevant costs in the Statement of Financial Activities.

(g) Pensions

The organisation operates a defined contribution pension scheme for employees and the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The pension scheme is provided by NEST. See note 15.

(h) Finance and operating leases

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the Statement of Financial Activities over the period in which the cost is incurred. The charity has no assets under finance leases which confer rights and obligations similar to those attached to owned assets.

(i) Provision for liabilities

Provision for liabilities only arises where the charity has a legal or constructive obligation to meet future liabilities.

(j) Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year. There are no critical accounting estimates in these accounts.

(k) Other financial instruments

The charity only has financial assets and 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. Fixed assets are recorded at depreciated historical cost and investments are recorded at fair value, being the closing market rate. All other assets and liabilities are recorded at cost which is their fair value.

i. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price.

iii. Stock

Stock is accounted for at its purchase price or production cost, less appropriate provisions against obsolete stock. Cost of stock is measured on a first in first out (FIFO) basis.

(l) Taxation

The charity is exempt from taxation on its income and gains falling within the Corporation Tax Act 2010 as all income and gains are applied to charitable purposes. In common with many other charities, Community Opportunity is unable to recover value added tax incurred on expenditure.

NOTES TO THE FINANCIAL STATEMENTS**2. Total income by activity**

	2021-22 Unrestricted Funds £	2021-22 Restricted Funds £	2021-22 Total Funds £	2020-21 Total Funds £
<i>Charitable activities:</i>				
Social enterprise:				
Social enterprise trading - pop up shops	-	-	-	4,055
Social enterprise trading - makerspace	3,902	-	3,902	803
Grant - Galleywall Primary School	-	-	-	638
Grant - Guy's & St Thomas' Charity	-	-	-	13,168
Grant - London Community Response Fund via City Bridge Trust	-	50,000	50,000	-
Grant - The National Lottery Community Fund	-	-	-	23,000
Grant - Power to Change - Bright Ideas Fund	-	-	-	5,000
Grant - Power to Change - CCLORS	-	-	-	50,000
Grant - Southwark Council - Neighbourhoods Fund	-	2,950	2,950	-
Grant - St James' CE Primary School	-	-	-	1,880
	3,902	52,950	56,852	98,544
Urban regeneration:				
Grant - GLA - LEAP Good Growth Fund	-	-	-	48,024
Fundraising consultancy	225	-	225	-
	225	-	225	48,024
<i>Other income:</i>				
Grant - Southwark Council Coronavirus Retail, Hospitality & Leisure	7,650	-	7,650	60,479
Grant - HMRC Coronavirus Job Retention Scheme	29,240	-	29,240	27,421
	36,890	-	36,890	87,900
Total income	41,017	52,950	93,967	234,468

In total, £27,597 was received from government grants (2021 - £135,924). There were no unfulfilled conditions at the year end.

In the prior year, total income of £234,468 comprised unrestricted income of £92,758 and restricted income of £141,710.

NOTES TO THE FINANCIAL STATEMENTS

3. Total expenditure by activity

	2021-22 Direct Costs £	2021-22 Support Costs £	2021-22 Total Costs £
<i>Charitable activities:</i>			
Social enterprise	104,705	9,834	114,539
Urban regeneration	-	15,902	15,902
Total expenditure 2021-22	104,705	25,736	130,441
	2020-21 Direct Costs £	2020-21 Support Costs £	2020-21 Total Costs £
<i>Charitable activities:</i>			
Social enterprise	104,940	3,402	108,342
Urban regeneration	49,478	32,560	82,038
Total expenditure 2020-21	154,418	35,962	190,380

NOTES TO THE FINANCIAL STATEMENTS**4. Total expenditure by category**

	2021-22 Unrestricted Funds £	2021-22 Restricted Funds £	2021-22 Total Funds £
Direct costs	48,069	56,636	104,705
Support costs:			
Management & admin - staff costs	15,902	-	15,902
Management & admin - other costs	2,553	5,368	7,921
Insurance	1,913	-	1,913
Legal	-	-	-
Governance - other costs	-	-	-
	20,368	5,368	25,736
Total expenditure	68,437	62,004	130,441

	2020-21 Unrestricted Funds £	2020-21 Restricted Funds £	2020-21 Total Funds £
Direct costs	34,844	119,574	154,418
Support costs:			
Management & admin - staff costs	-	27,421	27,421
Management & admin - other costs	-	4,358	4,358
Insurance	-	2,458	2,458
Legal	-	1,725	1,725
Governance - other costs	-	-	-
	-	35,962	35,962
Total expenditure	34,844	155,536	190,380

NOTES TO THE FINANCIAL STATEMENTS**5. Staff costs**

	2021-22 Total Funds £	2020-21 Total Funds £
Wages & salaries	60,505	83,639
Employer's National Insurance	4,532	6,957
Employer's pension contribution	1,187	1,053
Agency staff	18,539	13,737
Total staff costs	84,763	105,386

During the year, 3 members of staff (2020-21: 3) received redundancy payments totalling £3,460 (2020-21: £342).

No staff member received remuneration over £60,000 per annum (2020-21: none).

There were two members of senior management staff during the year (2020-21: two). Total remuneration payable to these staff members during the year, including employer pension contributions, was £46,515 (2020-21 £61,233).

6. Staff numbers

	12 months 2021-22 Total	12 months 2020-21 Total
Full time equivalent staff	2.5	4.5
Headcount	10.0	10.0

NOTES TO THE FINANCIAL STATEMENTS**7. Stock**

	31 March 2022 £	31 March 2021 £
Social enterprise trading stock for pop up shop and market stalls	1,102	1,102
Total stock	1,102	1,102

8. Debtors

	31 March 2022 £	31 March 2021 £
Trade debtors	3,902	6,652
Prepayments & accrued income	7,631	10,604
Total debtors	11,533	17,256

9. Creditors: Amounts falling due within one year

	31 March 2022 £	31 March 2021 £
Trade creditors	-	9
Other creditors	-	1
Taxation, social security & pensions	(683)	487
Accruals & deferred income	11,217	82,741
Total creditors	10,534	83,238

NOTES TO THE FINANCIAL STATEMENTS

10. Unrestricted and restricted funds

	1 Apr 21 Opening balance £	2021-22 Income £	2021-22 Expenditure £	31 Mar 22 Closing balance £
Total unrestricted funds	60,387	41,017	(68,437)	32,967
Grant - Guy's & St Thomas' Charity	5,793	-	(5,793)	-
Grant - London Community Response Fund via City Bridge Trust	-	50,000	(50,000)	-
Grant - Power to Change - CCLORS	3,261	-	(3,261)	-
Grant - Southwark Council - Neighbourhoods Fund	-	2,950	(2,950)	-
Total restricted funds	9,054	52,950	(62,004)	-
Total funds 2021-22	69,441	93,967	(130,441)	32,967

These grants were awarded for the following purposes:

Guy's & St Thomas' Charity: Developing business incubator support for entrepreneurs with disabilities, particularly multiple long term conditions, via School for Social Entrepreneurs

London Community Response Fund via City Bridge Trust: Supporting new entrepreneurs through online professional sewing training and the formation of a Textiles Homeworking Collective

Power to Change - CCLORS: Supporting new entrepreneurs through online professional sewing training and the formation of a Textiles Homeworking Collective

Southwark Council - Neighbourhoods Fund: Supporting new entrepreneurs through online professional sewing training and the formation of a Textiles Homeworking Collective

	1 Apr 20 Opening balance £	2020-21 Income £	2020-21 Expenditure £	31 Mar 21 Closing balance £
Total unrestricted funds	2,473	92,758	(34,844)	60,387
Grant - Galleywall Primary School	-	638	(638)	-
Grant - GLA - LEAP Good Growth Fund	10,410	48,024	(58,434)	-
Grant - Guy's & St Thomas' Charity	-	13,168	(7,375)	5,793
Grant - The National Lottery Community Fund	-	23,000	(23,000)	-
Grant - Power to Change - Bright Ideas Fund	12,470	5,000	(17,470)	-
Grant - Power to Change - CCLORS	-	50,000	(46,739)	3,261
Grant - St James' CE Primary School	-	1,880	(1,880)	-
Total restricted funds	22,880	141,710	(155,536)	9,054
Total funds 2020-21	25,353	234,468	(190,380)	69,441

NOTES TO THE FINANCIAL STATEMENTS

These grants were awarded for the following purposes:

Galleywall Primary School & St James' CE Primary School: Producing Made in Bermondsey summer holiday educational activity boxes for children who missed out on school due to COVID lockdown, in partnership with local author Mary Gibson, as part of the Blue Bermondsey community-led regeneration programme activities

GLA - LEAP Good Growth Fund: Community coordination for the £2m Blue Bermondsey Community-Led Regeneration Programme, via Southwark Council

Guy's & St Thomas' Charity: Developing business incubator support for entrepreneurs with disabilities, particularly multiple long term conditions, via School for Social Entrepreneurs

The National Lottery Community Fund: Supporting new entrepreneurs through online professional sewing training and the formation of a Textiles Homeworking Collective

Power to Change - Bright Ideas Fund: Developing a new makerspace business incubator social enterprise at the Blue, Bermondsey

Power to Change - CCLORS: Supporting new entrepreneurs through online professional sewing training and the formation of a Textiles Homeworking Collective

11. Fees payable to auditor / independent examiner

Net income/expenditure is stated after charging:

	2021-22	2020-21
	Total	Total
	Funds	Funds
	£	£
Fees payable to auditor:		
Statutory audit fee - y/e 31 March 2020 - additional fees	-	1,840
Independent examination fee - y/e 31 March 2021	-	2,400
Independent examination fee - y/e 31 March 2022	2,400	-
Total fees payable to auditor / independent examiner	2,400	4,240

NOTES TO THE FINANCIAL STATEMENTS**12. Analysis of net assets between funds**

As at 31 March 2022	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	32,967	-	32,967
Total net assets	32,967	-	32,967

As at 31 March 2021	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	60,387	9,054	69,441
Total net assets	60,387	9,054	69,441

13. Trustees' expenses

None of the trustees of the charity received any remuneration during the current or prior year.

No travel and subsistence expenses were incurred by the trustees in the course of carrying out their duties (2021: no trustees).

No other volunteering expenses were incurred by the trustees in the course of other regular volunteering for the charity (2021: no trustees).

	2021-22 Total Funds £	2020-21 Total Funds £
Total trustees' expenses	-	-
Number of trustees claiming expenses	-	-

14. Related parties

There were no other related party transactions during the year (2021: none).

15. Pensions

The charity is a member of a defined contribution pension scheme, NEST, operated by the UK government. Contributions are payable based on salary level, as defined by the NEST scheme.

Total employer contributions paid for the year were £1,187 (2021: £1,053). Contributions totalling £nil (2021: £487) were payable to the fund at the balance sheet date in respect of no (2021: 4) employees.

The basis used for allocating the liability and expense between activities and between restricted and unrestricted funds is the same basis as used for charging staff salaries in relation to the relevant pension contributions, based on hours worked for each project.