

Registration number: 07253111

# The Severn Project CIC

(A company limited by guarantee)

Annual Report and Unaudited Financial Statements

for the Year Ended 31 May 2016

R S Porter & Co Limited  
Albion Dockside Building  
Hanover Place  
Bristol  
BS1 6UT

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## **The Severn Project CIC Company Information**

<b>Directors</b>	Ms Philippa Sayers Mr Stephen Charles Glover Mrs Amanda Bancroft Mr. James Charles White
<b>Registered office</b>	Polytunnels Oatlands Avenue Whitchurch Bristol BS14 0ST
<b>Accountants</b>	R S Porter & Co Limited Albion Dockside Building Hanover Place Bristol BS1 6UT

**The Severn Project CIC**  
**Directors' Report for the Year Ended 31 May 2016**

The directors present their report and the unaudited financial statements for the year ended 31 May 2016.

**Directors of the company**

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

Ms Philippa Sayers

Mr Stephen Charles Glover

Mrs Amanda Bancroft

Mr. James Charles White

**Principal activity**

The principal activity of the company is therapeutic services and agriculture

**Small company provisions statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 23 September 2016 and signed on its behalf by:

.....  
Mr Stephen Charles Glover  
Director

**Chartered Accountants' Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Accounts of  
The Severn Project CIC  
for the Year Ended 31 May 2016**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of The Severn Project CIC for the year ended 31 May 2016 set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/membershandbook](http://icaew.com/membershandbook).

This report is made solely to the Board of Directors of The Severn Project CIC, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of The Severn Project CIC and state those matters that we have agreed to state to them, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Severn Project CIC and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that The Severn Project CIC has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of The Severn Project CIC. You consider that The Severn Project CIC is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of The Severn Project CIC. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....

R S Porter & Co Limited  
Albion Dockside Building  
Hanover Place  
Bristol  
BS1 6UT

23 September 2016

**The Severn Project CIC**  
**Profit and Loss Account for the Year Ended 31 May 2016**

	Note	2016 £	2015 £
Turnover		203,968	145,748
Cost of sales		<u>(98,251)</u>	<u>(92,627)</u>
Gross profit		105,717	53,121
Distribution costs		(707)	(325)
Administrative expenses		(119,219)	(121,033)
Other operating income		<u>26,648</u>	<u>40,160</u>
Operating profit/(loss)	2	12,439	(28,077)
Other interest receivable and similar income		3	9
Interest payable and similar charges	4	<u>(3,107)</u>	<u>(8,413)</u>
Profit/(loss) on ordinary activities before taxation		9,335	(36,481)
Tax on profit/(loss) on ordinary activities	5	<u>(8,464)</u>	<u>-</u>
Profit/(loss) for the financial year	14	<u><u>871</u></u>	<u><u>(36,481)</u></u>

Turnover and operating profit derive wholly from continuing operations.

**The Severn Project CIC**  
**(Registration number: 07253111)**  
**Balance Sheet as at 31 May 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	6	86,408	90,705
<b>Current assets</b>			
Stocks	7	-	1,405
Debtors	8	106,066	23,269
Cash at bank and in hand		52,428	1,149
		<u>158,494</u>	<u>25,823</u>
Creditors: Amounts falling due within one year	9	<u>(133,835)</u>	<u>(29,717)</u>
Net current assets/(liabilities)		<u>24,659</u>	<u>(3,894)</u>
Total assets less current liabilities		111,067	86,811
Creditors: Amounts falling due after more than one year	10	(127,532)	(112,610)
Provisions for liabilities	12	<u>(8,463)</u>	-
Net liabilities		<u><u>(24,928)</u></u>	<u><u>(25,799)</u></u>
<b>Capital and reserves</b>			
Profit and loss account	14	<u>(24,928)</u>	<u>(25,799)</u>
Shareholders' deficit		<u><u>(24,928)</u></u>	<u><u>(25,799)</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (Effective 2015).

For the year ending 31 May 2016 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 23 September 2016 and signed on its behalf by:

.....  
Mr Stephen Charles Glover  
Director

The notes on pages 6 to 11 form an integral part of these financial statements.

# The Severn Project CIC

## Notes to the Financial Statements

### 1 Accounting policies

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) (effective January 2015).

#### **Exemption from preparing a cash flow statement**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

#### **Turnover**

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

#### **Revenue recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales tax or duty.

#### **Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and Buildings	In accordance with the lease
Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

#### **Stock, work in progress and long term contracts**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### **Provisions**

A provision is recognised when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.



**The Severn Project CIC**  
**Notes to the Financial Statements**

**Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**2 Operating profit / loss**

Operating profit/(loss) is stated after charging/(crediting):

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Foreign currency gains	-	(27)
Profit on sale of intangible fixed assets	(900)	-
Depreciation	<u>14,803</u>	<u>14,171</u>

**3 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>13,730</u>	<u>13,190</u>

**4 Interest payable and similar charges**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest on bank borrowings	<u>3,107</u>	<u>8,413</u>

**5 Taxation**

**Tax on profit/(loss) on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	1	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>8,463</u>	<u>-</u>
Total tax on profit/(loss) on ordinary activities	<u>8,464</u>	<u>-</u>

**The Severn Project CIC**  
**Notes to the Financial Statements**

**6 Tangible fixed assets**

	<b>Long leasehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 June 2015	42,000	74,436	826	9,610	126,872
Additions	-	9,033	1,473	-	10,506
At 31 May 2016	<u>42,000</u>	<u>83,469</u>	<u>2,299</u>	<u>9,610</u>	<u>137,378</u>
<b>Depreciation</b>					
At 1 June 2015	-	32,535	441	3,191	36,167
Charge for the year	-	12,734	464	1,605	14,803
At 31 May 2016	<u>-</u>	<u>45,269</u>	<u>905</u>	<u>4,796</u>	<u>50,970</u>
<b>Net book value</b>					
At 31 May 2016	<u>42,000</u>	<u>38,200</u>	<u>1,394</u>	<u>4,814</u>	<u>86,408</u>
At 31 May 2015	<u>42,000</u>	<u>41,901</u>	<u>385</u>	<u>6,419</u>	<u>90,705</u>

**The Severn Project CIC**  
**Notes to the Financial Statements**

The leasehold building has been valued by the bank for insurance purposes at £90,000.

**7 Stocks**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Raw materials	-	1,405

**8 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	13,300	10,428
Other debtors	92,766	12,841
	<u>106,066</u>	<u>23,269</u>

**9 Creditors: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	30,555	17,296
Trade creditors	21,628	11,624
Corporation tax	1	-
Other taxes and social security	(5,972)	(3,543)
Directors' current accounts	20,000	-
Other creditors	60,314	3,990
Accruals and deferred income	7,309	350
	<u>133,835</u>	<u>29,717</u>

**10 Creditors: Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	94,095	62,833
Other creditors	33,437	49,777
	<u>127,532</u>	<u>112,610</u>

**The Severn Project CIC**  
**Notes to the Financial Statements**

**11 Obligations under leases and hire purchase contracts**

**Operating lease commitments**

As at 31 May 2016 the company had annual commitments under non-cancellable operating leases as follows:

**Operating leases which expire:**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Within one year	(800)	(800)
Within two to five years	<u>(3,200)</u>	<u>(4,000)</u>
	<u>(4,000)</u>	<u>(4,800)</u>
<b>Other</b>		
Within one year	(7,220)	-
Within two to five years	<u>(14,862)</u>	<u>-</u>
	<u>(22,082)</u>	<u>-</u>

**12 Provisions**

	<b>Deferred tax</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 June 2015	-	-
Charged to the profit and loss account	<u>8,463</u>	<u>8,463</u>
At 31 May 2016	<u>8,463</u>	<u>8,463</u>

**Analysis of deferred tax**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Difference between accumulated depreciation and amortisation and capital allowances	<u>(8,463)</u>	<u>-</u>

**13 Company status**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**The Severn Project CIC**  
**Notes to the Financial Statements**

**14 Reserves**

	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 June 2015	(25,799)	(25,799)
Profit for the year	<u>871</u>	<u>871</u>
At 31 May 2016	<u><u>(24,928)</u></u>	<u><u>(24,928)</u></u>

**The Severn Project CIC**  
**Detailed Profit and Loss Account for the Year Ended 31 May 2016**

	2016 £	2015 £
Turnover (analysed below)	203,968	145,748
Cost of sales (analysed below)	<u>(98,251)</u>	<u>(92,627)</u>
Gross profit	<u>105,717</u>	<u>53,121</u>
Gross profit (%)	51.83%	36.45%
Distribution costs (analysed below)	<u>(707)</u>	<u>(325)</u>
<b>Administrative expenses</b>		
Employment costs (analysed below)	(51,972)	(44,404)
Establishment costs (analysed below)	(9,172)	(4,297)
General administrative expenses (analysed below)	(41,648)	(56,420)
Finance charges (analysed below)	(2,524)	(1,741)
Depreciation costs (analysed below)	<u>(13,903)</u>	<u>(14,171)</u>
	(119,219)	(121,033)
Other operating income (analysed below)	26,648	40,160
Other interest receivable and similar income (analysed below)	3	9
Interest payable and similar charges (analysed below)	<u>(3,107)</u>	<u>(8,413)</u>
Profit/(loss) on ordinary activities before taxation	<u><u>9,335</u></u>	<u><u>(36,481)</u></u>

This page does not form part of the statutory financial statements.

**The Severn Project CIC**  
**Detailed Profit and Loss Account for the Year Ended 31 May 2016**

	2016 £	2015 £
<b>Turnover</b>		
Agricultural	203,968	145,748
<b>Cost of sales</b>		
Purchases	93,499	71,158
Sales promotion	513	2,032
Wages and salaries	4,239	19,464
(Profit)/loss on foreign currency	-	(27)
	<u>98,251</u>	<u>92,627</u>
<b>Distribution costs</b>		
Freight and carriage	707	325
<b>Employment costs</b>		
Wages and salaries	37,886	30,074
Directors remuneration	13,730	13,190
Training	356	1,140
	<u>51,972</u>	<u>44,404</u>
<b>Establishment costs</b>		
Rent & rates	1,940	1,560
Light, heat and power	1,086	313
Insurance	4,010	887
Use of home as office	2,136	1,537
	<u>9,172</u>	<u>4,297</u>
<b>General administrative expenses</b>		
Repairs and renewals	4,386	1,613
Telephone and fax	1,901	1,635
Computer software and maintenance costs	132	490
Printing, postage and stationery	1,670	4,643
Subscriptions	538	575
Charitable donations	-	120
Hire of plant and machinery (Operating leases)	8,262	5,272
Sundry expenses	686	1,738
Cleaning & waste management	2,888	689
Protective clothing	312	760
Motor expenses	13,354	24,684
Travel and subsistence	5,292	4,999
Customer entertaining (disallowable for tax)	1,701	1,693
Accountancy fees	1,174	470
Consultancy fees	200	6,484
Legal and professional fees	269	28
Bad debts written off	(1,117)	527

This page does not form part of the statutory financial statements.

**The Severn Project CIC**  
**Detailed Profit and Loss Account for the Year Ended 31 May 2016**

	41,648	56,420
<b>Finance charges</b>		
Bank charges	1,445	1,080
Credit card charges	1,079	661
	2,524	1,741
<b>Depreciation costs</b>		
Depreciation of plant and machinery (owned)	12,734	11,903
Depreciation of fixtures and fittings (owned)	464	128
Depreciation of motor vehicles (owned)	1,605	2,140
(Profit)/loss on disposal of intangible fixed assets	(900)	-
	13,903	14,171
<b>Other operating income</b>		
Other income	1,973	5,661
Therapeutic	175	700
HCA diesel depot	-	9,000
Training	3,650	22,350
Consultancy	-	408
Donations	16,850	1,541
Rent receivable	-	500
Grants and subsidies receivable	4,000	-
	26,648	40,160
<b>Other interest receivable and similar income</b>		
Bank interest receivable	3	9
<b>Interest payable and similar charges</b>		
Bank interest payable	71	-
Bank loan interest payable	3,036	8,413
	3,107	8,413

This page does not form part of the statutory financial statements.