

Society registration number 30669R (England and Wales)

UNLIMITED POTENTIAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

UNLIMITED POTENTIAL

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UNLIMITED POTENTIAL

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors have pleasure in presenting their report and the financial statements of the Society for the year ended 31 March 2023.

Strategic reports

Principal Objects

Unlimited Potential is a community benefit society. The purpose of the Society is to carry on its business for the benefit of the community.

The Society exists to make the world a happier and healthier place to live.

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

Projects having positive outcomes for people engaged with them by:

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

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

People taking control of their own lives by:

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

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

The organisation having a positive impact on the wider world by:

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

Principal activities

The Society specialises in social and economic innovation: designing, developing and growing new ideas to meet social and economic challenges. It is innovation that leaves behind a stronger capacity for society to act.

During 2022-2023, the main projects run by the Society were:

Co-production for Health and Well-Being	local people producing new solutions on key determinants of health and well-being [Salford]
Dadly Does It	developing and promoting positive fatherhood [Greater Manchester]
Economies for Healthier Lives	using local economic development to improve health and reduce health inequalities [Salford]
Elephants Trail	co-producing solutions with people with lived experience of severe and multiple disadvantage [Bury and Rochdale]
Meaningful Employment of Autistic People	addressing the autism employment gap by matching the skills and talents of autistic people with meaningful employment [Salford]
Positive Masculinity	exploring how men and boys think about masculinity, in order to reduce gender-based violence [Bolton and Salford]
Shifting Control of Wealth	exploring a people's approach to wealth and economics with people who have experienced economic disadvantage [Rochdale]

Details of each of these projects are on the Society's website at <https://www.unlimitedpotential.org.uk/>

During the year, no formal complaints were received about the Society or its activities.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Business Review

This business review aims to be a balanced and comprehensive analysis of the development and performance of the Society's business during the financial year, and its position at the end of that year, consistent with its size and complexity.

Business model and income streams.

The Society focuses on issues that either communities or public service organisations perceive as being the most difficult or apparently insoluble. It maintains and develops a pipeline of potential projects, whose likelihood is assessed and regularly reviewed.

Income comes either from public service organisations, or from organisations willing to fund social or economic innovation. It is usually paid in advance, either fully or in tranches.

In principle, once a project had been fully developed, the Society aims to enable mainstreaming and replication, by creating the infrastructure to do so that is independent of the Society.

Customers and contractual arrangements.

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

- Greater Manchester Combined Authority
- Health Foundation
- Lankelly Chase Foundation
- NHS Greater Manchester Integrated Care
- Rochdale Borough Council
- Salford City Council
- Salford Clinical Commissioning Group

In addition, the Society reinvested some of its own reserves to part-resource the Meaningful Employment of Autistic People project.

The annual survey of customers was run in October 2022. The Society performed well in almost all areas. Its ratings improved in about one third of the key aspects, remained the same in one third and declined in one third, in comparison to the previous survey in 2021. There were areas for improvement and development. The Board identified practical action to improve performance in terms of

- investing in the strengths of individuals and communities
- visibility and raising profile
- demonstrating and extending impact and learning
- diversity within Unlimited Potential
- attracting investment and support for the organisation

Social, economic and environmental impacts.

The Society is a social enterprise, re-certified by Social Enterprise UK in May 2023.

The Society believes in paying the right amount of tax in the right place at the right time and in applying the gold standard of tax transparency. It has held the Fair Tax Mark since 2015, which was renewed in November 2022.

The Society assesses its wider social, economic and environmental impact each year against a series of outcome indicators.

In April 2022, the Society made a series of new pledges to Salford Social Value Alliance to improve by at least 10% its performance against its social, economic and environmental measures by 2025. These pledges and the performance against them are shown below.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Society		
<i>promote social development that invests in the strengths of everyone</i>		
Numbers in membership:		
<i>pledge:</i>	<i>performance 2022-2023:</i>	<i>annual change:</i>
increase membership by 10% (to 28 total) by 2025	On the Register of Supporters (members), the number at 31 March, 2023, was 24: <ul style="list-style-type: none"> • client = 0 (00.0%) • staff = 9 (37.5%) • associate = 15 (62.5%) 	decrease of 4.0% (from 25 at 31 March, 2022)
Level of membership activity:		
<i>pledge:</i>	<i>performance 2022-2023:</i>	<i>annual change:</i>
increase the Supporters (members) attending annual meetings by 10% (to 14 total and 38.8% of membership) by 2025	14 Supporters (members) - 50.0% attended the Annual Meeting on 25 October, 2022	increase of 16.7% and 41.7% (from 12 Supporters - 35.29% - on 26 October, 2021)
increase the % response to Supporters' surveys by 10% (to 27.4%) by 2025	average of 22.4% response to Supporters' surveys in April 2022 - March 2023	decrease of 10.0% (from average of 24.9% in January-March 2022)

Note: Under the Rules of the Society, on 24 November, 2022, the Secretary removed from the Register of Supporters all those Supporters (members) who had not attended a Supporters' meeting for three years.

Economy		
<i>help to create and maintain a strong, sustainable and socially inclusive economy</i>		
Ethical purchasing:		
<i>pledge:</i>	<i>performance 2022-2023:</i>	<i>annual change:</i>
increase the proportion of non-direct/staffing expenditure spent with ethical suppliers [including social and co-operative businesses] by 10% (to 65.3%) by 2025	the proportion of non-direct/staffing expenditure spent with ethical suppliers was 64.54% in 2022-2023	increase of 8.7% (from 59.39% in 2021-2022)
Local employment:		
<i>pledge:</i>	<i>performance 2022-2023:</i>	<i>annual change:</i>
increase the proportion of employees that are local residents (living within 5 miles of normal work base) by 10% (to 73.3%) by 2025	at 31 March, 2023, 66.7% (6 of 9) employees were local residents (living within five miles of their normal work base)	change of 0.0% (from 66.7% (4 of 6 employees) at 31 March, 2022)

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Environment		
<i>protect the environment and ensuring prudent use of natural resources</i>		
Energy efficiency:		
<i>pledge:</i>	<i>performance 2022-2023:</i>	<i>annual change:</i>
improve energy efficiency by 10% (to 0.033 tonnes CO2e per whole-time equivalent staff member) by 2025	0.033 tonnes CO2e per staff member in 2022-2023	decrease of 10.8% (from 0.037 tonnes CO2e per person equivalent in 2021-2022)
Waste and emissions:		
<i>pledge:</i>	<i>performance 2022-2023:</i>	<i>annual change:</i>
reduce waste by 10% (to 9.21 bins per whole-time equivalent staff member) by 2025	total bins – 15.82 per person in 2022-2023	increase of 54.6% (from 10.23 bins per person in 2021-2022)
reduce travel emissions from commuting by 10% (to 0.147 tonnes CO2e per whole-time equivalent staff member) by 2025	commuting: 0.287 tonnes CO2e per person in 2022-2023	increase of 76.1% (from 0.163 tonnes CO2e per person in 2021-2022)
reduce travel emissions from business-related travel by 10% (to 0.045 tonnes CO2e per whole-time equivalent staff member) by 2025	business-related travel: 0.041 tonnes CO2e per person in 2022-2023	decrease of 18.0% (from 0.050 tonnes CO2e per person in 2021-2022)

Note: the environmental performance in 2021-2022, in comparison to 2022-2023, was unusually low due to the organisational response to the COVID-19 situation. Office-based working was allowed only from 19 July, 2021, when restrictions were relaxed: thus, only for 37 weeks to 31 March, 2022.

Risks and uncertainties

The Society maintains an active register of business risks, which it reviews periodically. Each risk is identified, scored on the basis of likelihood of happening, and impact if it did, and then a mitigation plan is put in place to eliminate or reduce the risk.

The biggest risk is the Society's sustainability in the current economic climate. The Board is mitigating this risk by developing the sales and marketing plan.

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

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

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

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

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

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

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

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

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategy

Effective action by the directors has improved the Society's financial position, with a surplus in four of the past five years. The Society is still able to use reserves to fulfil its obligations, but has to respond to challenging market conditions. This is outlined in its Business Plan 2023-2026.

The strategic approach within the Business Plan 2023-2026 is to:

- build on Unlimited Potential's strengths in engaging with citizens and communities, especially those who are disadvantaged and marginalised
- focus on innovation - developing new responses to the requirements of customers and communities
- diversify our activity in three ways:
 - o broadening the geographical footprint of the Society
 - o broadening the range of projects, especially beyond health and well-being
 - o Into greater non-public sector income
- develop partnerships with other organisations, as appropriate
- evolve stronger links with other bodies for innovation, research and evaluation

We want to evolve our market share in both social and economic fields. Our development priorities are to:

- continue our work on tackling social issues together with local people and communities
- apply our approach to tackling economic issues, working towards an inclusive economy with a fairer distribution of wealth
- develop our innovation, not only as a process, but as a 'product' in its own right
- explore the potential of digitisation for social and economic innovation

Our key priority themes are:

Economic development	Social development
inclusive economy	health and well-being
business	life chances / social mobility
skills and work	environment and housing

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

Political	Economic
<ul style="list-style-type: none"> • International conflict and war. • Political climate: political uncertainty; 'culture wars'. • Devolution and 'levelling up'. • Challenges to campaigning: relationships with government; restrictions on protest. 	<ul style="list-style-type: none"> • World and national economy: recession; inflation. • Labour market in flux. • Increasing government spending. • Increasing pressure on households: deepening inequalities within and between communities. • New and shifting sources of income for VCSE agencies.
Social	Technological
<ul style="list-style-type: none"> • Emerging socio-economic inequalities. • Changing public opinion on social issues. • Changes in participation and volunteering. • Changing role of VCSE agencies in communities. • Emergence of hybrid working. 	<ul style="list-style-type: none"> • Digital transformation in a post-COVID world. • Cyber security and the remote working environment. • Potential reform of data protection law and guidance. • Expanding access to artificial intelligence and machine learning through 5G technology. • Increasing use of Blockchain. • Social media use and regulation.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Legal	Environmental
<ul style="list-style-type: none">• Employment issues post-COVID.• Legal reforms: judicial review; human rights; etc.	<ul style="list-style-type: none">• Rise of political and public recognition.• Changing practices post-COVID.• Role of VCSE agencies in climate action.• Increasing local action on green issues.• Climate change impact and mitigations.

Members Benefits

Each Supporter (member) holds one share in the Society, which may not be transferred or withdrawn. Supporters do not beneficially own the Society: shares do not carry any right to interest, dividend or bonus.

Being a Supporter (member) enables a person to take part in Supporters' meetings, and to vote and stand in elections to the Board of Directors. It also enables people to ensure that the Society's work is conducted for the benefit of the community.

The annual survey of Supporters (members) was run in October 2022. The society performed well in five areas, and fair in four areas. Its ratings had improved, been maintained or slightly declined in equal measure, in comparison to the previous survey in 2021. There were three areas for improvement and development. The Board identified practical action to improve performance in terms of:

- governance: communicating the organisation's activity and performance to Supporters (members) and engaging them in developing ideas and proposals
- society: involving local people in developing the organisation and its projects
- economy: maximising opportunities for local people to gain employment with the organisation

The Society wants to do more to encourage people to join as Supporters (members) and to be active in the Society. It wants to continue to change its relationship with its Supporters, and aims to do co-operation differently for the purpose of creative invention and innovation. The Society runs brief monthly surveys of Supporters to seek their views on different aspects of the Society's activities. Engaging Supporters will also be done by:

- offering other opportunities to participate
- creating a virtual space to create new interesting 'stuff'
- Supporters (members) getting involved in doing/testing 'stuff'

The society has adopted the Everyday Participation toolkit (Co-operatives UK) as a guide. This focuses on seven modes of everyday participation: tell stories; gather data; share connections; contribute ideas; give time; learn skills; and crowdfund innovation.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Wider Stakeholders

As well as its key stakeholders (customers, clients, Supporters (members), directors, staff and volunteers), the Society has a much wider range of other stakeholders, including:

- potential customers
- local communities
- potential staff
- trade unions
- politicians
- senior decision-makers
- key partner organisations
- finance institutions and investors
- suppliers
- regulatory bodies
- other social enterprises
- media
- learning providers

To support the Society's engagement with the wider world, it holds membership of: Co-operative Councils Innovation Network [affiliate]; Co-operatives UK; Greater Manchester Chamber of Commerce; and Social Enterprise UK. It is also active in: Business Group Salford; Greater Manchester Social Enterprise Network; Greater Manchester VCSE Leadership Group; Salford Social Enterprise City; Salford Social Value Alliance; and the Wellbeing Economy Alliance.

Colleagues and Remuneration

At 31 March, 2023, there were 9.29 whole-time equivalent staff posts (8 full-time and 2 part-time). This is an increase of 82.5% from 31 March, 2022, when there were there were 5.09 whole-time equivalent staff posts (3 full-time and 3 part-time).

The Society has had a trade union Recognition Agreement with Unison since 2006.

The Society has held the Investors in People Standard since 2010 (Investors in People CIC, renewed in July 2020 until June 2023). It became a Supporter of the Greater Manchester Good Employment Charter in February 2020, and was made a Member in September 2020 (one of the first 15 employers to gain this status). It also holds Disability Confident Leader status (Department for Work and Pensions, renewed in January 2023 until January 2026).

The Society has been an accredited Living Wage Employer since 2013 (Living Wage Foundation, renewed in March 2023), and became an accredited Living Hours employer in June 2022. It led on Salford becoming the first place in England to get formal recognition for its ambition to become a Living Wage City in November 2019, and the renewal of this status for another three years in November 2022.

The Society's policy is that there is a maximum ratio of five between the whole-time equivalent salaries of the highest and lowest paid full-time employees. In 2022-2023, this ratio was 1.79:1, compared to 2.26:1 in 2021-2022.

All staff are eligible to become Supporters (members) of the Society, and are encouraged to join a trade union. The Society also offers a series of staff benefits to all employees, including: tax-free child care; employee assistance programme; group life assurance up to age 65; group personal pension scheme; group health cash plan; personal development planning and individual learning and development budgets; and sabbatical leave.

The annual staff engagement survey was run in October 2022. The Society performed well in 13 areas and fair in three areas. Its ratings had improved in three areas, remained the same in ten and declined in three, in comparison to the previous survey in 2021. The Board identified practical action to improve performance in terms of:

- staff knowing what is expected of them at work
- staff having the materials and equipment they need to do their work right
- staff having a good friend at work

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Governance reports

Directors

The Directors who held office during the year were:

David Cummins
Christopher Dabbs
Jacqueline Pollock
Amira Taha

appointed 26 May, 2022 (to fill a casual vacancy) and elected 25 October, 2022

Kate Wood
David Young

retired 25 October, 2022

Each Director is contactable via the Society's trading address, which is the same as its registered address: Innovation Forum, 51 Frederick Road, Salford M6 6FP.

Corporate Governance

Decision-making

The Board is responsible for managing the business of the Society by:

- shaping the organisation's mission and strategic direction
- monitoring and improving performance
- ensuring leadership and resources
- ensuring accountability for activities to relevant parties, especially Supporters

In summary, the Board reserves these specific matters for its decision:

- Strategy and policy: strategy; policies; budgets
- Performance monitoring: performance monitoring; stakeholder and audit feedback; financial reporting; internal controls and risk management
- Leadership and resources: structure, governance and delegation; statutory duties; appointments and remuneration
- Organisational development: board development

The Board delegates all other matters for decision to the Chief Executive, who must record and report to the Board a summary of these decisions and actions.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Directors' Interests

During the year, interests declared by Directors were:

Name	Direct material interests	Indirect material interests (including of connected persons to be named)
David Cummins	None	Chief Executive of Warrington Housing Association (although it does not currently operate in the same areas as U.P.)
Christopher Dabbs	None	None
Jacqueline Pollock	None	Delivery Partner in the Personalised Care Group of NHS England & Improvement, and Senior Manager in the North West Region Clinical Directorate of NHS England
Amira Taha	None	None
Kate Wood	None	None
David Young	None	Married to Paula Braynion, Managing Director of Future Directions CIC, which has had business relationship with U.P. from time to time.

Directors' Performance

Attendance record

The Board had four committees (Audit, Innovation, Remuneration and Statutory Duties), of which individual directors may be a member of one or more.

Name	Board meetings actual (possible)	Committee meetings actual (possible)
David Cummins	6 (6)	4 (6)
Christopher Dabbs	6 (6)	6 (6)
Jacqueline Pollock	5 (6)	3 (7)
Amira Taha	4 (5)	2 (4)
Kate Wood	5 (6)	6 (7)
David Young	2 (3)	4 (5)

In addition, all five current directors attended an away day of Board and staff on 23 February, 2023, to inform the business plan 2023-2026.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of directors' responsibilities

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

Co-operative and Community Benefit Society law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law. Under that law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those financial statements, the Directors are required to:

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

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

At the Annual Meeting on 25 October, 2022, the Supporters (members) of the society, in respect of the accounting year ending on 31 March, 2023, resolved to disapply the duty to appoint financial auditors to audit its accounts and balance sheet, as allowed under section 84 of the Co-operative and Community Benefit Societies Act 2014. The Supporters (members) instead appointed a qualified reporting accountant to do a limited assurance review, and to produce a report on, the Society's accounts and balance sheet for the year, and a report relating to the preceding year of account that states whether the financial criteria for the exercise of the power to disapply the duty to have a full audit were met.

In so far as the Directors are aware:

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

Signed on behalf of the Directors



D Cummins
Director



C Dabbs
Director

Date: 28/9/23

UNLIMITED POTENTIAL

Reporting accountant's report to the Directors of Unlimited Potential

We report to the directors on our examination of the accounts of Unlimited Potential (the Society) for the year ended 31st March 2023.

Responsibilities and basis of report

As the directors of the Society you are responsible for the preparation of the accounts in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

We report in respect of our examination of the Director's accounts carried out under section 85 of the Co-operative and Community Benefit Societies Act 2014.

No issues of concern have come to our attention during our examination of the accounts.

Reporting accountant's report

In our opinion:

- the profit and loss account, and the balance sheet are in agreement with the books of account kept by the society for the year ended 31 March 2023
- on the basis of the information contained in the books of account, the statutory accounts complies with the requirements of the Act, and
- the financial criteria stated in Section 84, allowing the production of a report instead of a full audit have been met.

Signed: *Hallidays*

Date: *4/10/23*

Hallidays

Riverside House
Kings Reach Business Park
Yew Street
Stockport
Cheshire
SK4 2HD

UNLIMITED POTENTIAL

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover		416,142	396,347
Administrative expenses		(403,578)	(336,324)
Other operating income		1,178	2,091
Operating surplus		<u>13,742</u>	<u>62,114</u>
Interest receivable and similar income		1,699	77
Surplus on ordinary activities before taxation		<u>15,441</u>	<u>62,191</u>
Tax on profit	3	-	-
Surplus for the financial year		<u><u>15,441</u></u>	<u><u>62,191</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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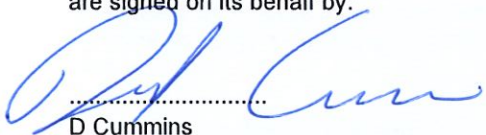
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	4		2,335		2,341
Current assets					
Debtors	5	3,872		5,487	
Cash at bank and in hand		578,558		490,727	
		<u>582,430</u>		<u>496,214</u>	
Creditors: amounts falling due within one year	6	<u>(312,747)</u>		<u>(241,978)</u>	
Net current assets			<u>269,683</u>		<u>254,236</u>
Net assets			<u><u>272,018</u></u>		<u><u>256,577</u></u>
Capital and reserves					
Called up share capital			-		-
Profit and loss reserves			<u>272,018</u>		<u>256,577</u>
Total equity			<u><u>272,018</u></u>		<u><u>256,577</u></u>

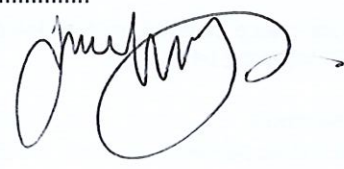
These financial statements have been prepared in accordance with the provisions applicable to Public Benefit Entities in accordance with the provisions of FRS 102 Section 1A.

The financial statements were approved by the board of directors and authorised for issue on 28/9/23 and are signed on its behalf by:



.....
D Cummins
Director

.....
J Pollock
Director





.....
C Dabbs
Director and Society Secretary

Society Registration No. 30669R

UNLIMITED POTENTIAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Society information

Unlimited Potential (society number 30669R) is a Community Benefit Society registered in England and Wales. The registered office is Innovation Forum, 51 Frederick Road, Salford, M6 6FP.

The trading address of the Society is the same as the registered address.

1.1 Accounting convention

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

1.2 Going concern

Taking account of known and prospective sources of income and the policy of utilising reserves as and when required, give the directors sufficient assurance to conclude that these accounts should be prepared on a going concern basis.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Income is recognised when services have been delivered to customers.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the term of the lease
Furniture, fittings and equipment	25% - 33% straight line

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.5 Financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors and bank loans.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interests and subsequently at amortised cost using the effective interest method.

Trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income and Expenditure Account.

1.6 Taxation

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

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

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

1.7 Retirement benefits

The society operates a defined contribution scheme. The assets of the scheme are held separately from those of the society in an independently administered fund. The pension costs charge represents contributions payable by the society to the fund.

UNLIMITED POTENTIAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.8 Grants

Grants are recognised under the accrual model. The society recognises income from grants on a systematic basis over the periods in which the society recognises the costs of providing grant funded services.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	8	10

3 Taxation

	2023 £	2022 £
Current tax		
Tax on surplus/(deficit) on ordinary activities	-	-
Adjustments in respect of previous years	-	-
UK Corporation tax	-	-
Tax charge		
UK corporation tax payable on profits for the year	-	-
Adjustment in respect of prior years	-	-
UK current tax charge	-	-
Deferred tax		
Timing differences arising in the year	-	-
Adjustment in respect of prior years	-	-
UK deferred tax charge	-	-
Total UK tax charge for the year	-	-

UNLIMITED POTENTIAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	15,441	62,191
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	2,934	11,816
Adjusting items:		
Adjustments relating to deferred taxation	-	-
Impact of capital allowances in excess of depreciation	(1)	(1,093)
Short term timing differences on the taxation of interest income	-	-
Brought forward tax losses utilised	(2,933)	(10,723)
Current tax charge for the year	-	-
Effective current tax rate for the year	-	-
Effective total tax rate for the year	-	-

UNLIMITED POTENTIAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Taxation

(Continued)

The society qualifies for the small companies rate of corporation tax in the UK, which was 19% throughout the financial year to which these financial statements relate.

In previous years the Society's profit and loss account has been in deficit. This has resulted in the accumulation of losses for corporation tax purposes, which have been brought forward and utilised against the surplus in the current period. The result of which is that for the current period there is no corporation tax payable to HM Revenue & Customs. This is expected to continue in future years as the accumulated losses are appropriately offset against any future surpluses.

Capital allowances are tax relief provided in law for the expenditure the Society makes on fixed assets. The rates are determined by parliament annually, this year the rate used on the Society's assets is 18%. This contrasts with the accounting treatment for such spending, where the expenditure on fixed assets is treated as an investment with the cost then being spread over the anticipated useful life of the assets as is explained more fully in notes 1 (Accounting Policies) and 5 (Tangible Assets).

The different accounting treatment of fixed assets for tax and accounting purposes means that the taxable income of the Society is not the same as its accounting profit. In years when it is investing significantly in new equipment tax profits are lower than accounting profits and vice versa in years when limited investment occurs. The result is that when the expenditure on fixed assets multiplied by the capital allowance rate exceeds the accounting charge for depreciation, the current tax charge is lower than that expected when multiplying the current profits before tax by the headline tax rate.

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

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

Expenditure of this sort explains the expenses not deductible for tax purposes arising in the year.

	2023
Cash Paid Reconciliation	£
Opening corporation tax asset at 01.04.2022	70
Less: current corporation tax refund in the year	-
Less: corporation tax charge in current year	-
Add: rounding of corporation tax charge in the previous year	-
	<hr/>
Closing corporation tax asset at 31.03.23	70
	<hr/> <hr/>

UNLIMITED POTENTIAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Taxation (Continued)

Deferred taxation

	Capital allowances £	Short-term timing differences £	Total £
Balance at 01.04.2022	-	-	-
Current year deferred tax	-	-	-
Adjustment in respect of prior years	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Balance at 31.03.2023	<u> </u>	<u> </u>	<u> </u>

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

4 Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 1 April 2022	31,396
Additions	1,908
	<u> </u>
At 31 March 2023	33,304
	<u> </u>
Depreciation and impairment	
At 1 April 2022	29,055
Depreciation charged in the year	1,915
	<u> </u>
At 31 March 2023	30,969
	<u> </u>
Carrying amount	
At 31 March 2023	<u> </u> 2,335
	<u> </u>
At 31 March 2022	<u> </u> 2,341
	<u> </u>

UNLIMITED POTENTIAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	178	1,948
Corporation tax recoverable	70	70
Other debtors	3,624	3,469
	<u>3,872</u>	<u>5,487</u>

6 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	4,834	5,430
Taxation and social security	6,521	3,116
Other creditors	301,392	233,432
	<u>312,747</u>	<u>241,978</u>

7 Society status

As the society is a community benefit society the members do not beneficially own the society. The liability of the members is limited. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the society in the event of liquidation. At the balance sheet date the society had 24 members. A member may not hold more than one share.

8 Directors' remuneration	2023	2022
	£	£

The total directors' remuneration for the year was as follows:

Remuneration paid to directors	<u>48,982</u>	<u>45,409</u>
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The remuneration in respect of the highest paid executive director was as follows:

	2023	2022
	£	£
Remuneration	<u>48,982</u>	<u>45,409</u>

Non-executive directors do not receive any remuneration.

UNLIMITED POTENTIAL

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	2023		2022	
	£	£	£	£
Turnover				
Sales, UK		416,142		396,347
Other operating income				
Miscellaneous other operating income		1,178		2,091
Administrative expenses				
Wages and salaries	200,462		150,922	
Social security costs	17,518		10,489	
Training and recruitment	4,446		2,636	
Staff pension costs defined contribution	21,071		13,047	
Directors' remuneration	48,982		45,409	
Directors' pension costs - defined contribution scheme	5,258		4,876	
Rent and rates	13,429		11,830	
Light, heat and power	-		85	
Repairs and maintenance	7,000		3,970	
Insurance	4,213		4,268	
IT & office equipment costs	1,565		729	
Travelling expenses	4,431		1,602	
Professional subscriptions	1,692		2,023	
Legal and professional fees	844		1,567	
Consultancy fees	36,104		45,200	
Accountancy	6,250		5,750	
Charitable donations	300		-	
Bank charges	451		394	
Bad and doubtful debts	(15)		8	
Printing and stationery	725		795	
Advertising	122		2,709	
Telecommunications	1,264		1,389	
Functions, events and refreshments	8,219		4,745	
Sundry expenses	11,338		4,999	
Irrecoverable VAT	5,994		5,020	
Depreciation	1,915		1,094	
Exceptional administrative expenses	-		10,768	
		(403,578)		(336,324)
Operating profit		13,742		62,114
Interest receivable and similar income				
Bank interest received	1,699		77	
		1,699		77
Profit before taxation	3.71%	15,441	15.69%	62,191