

Annual Return (AR30) form

Society Name: Totnes Community Development Society Limited

Society Num: 31671 R

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

2.1 What date did the financial year covered by these accounts end?

31/12/2021

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.

Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of Director	Month of Birth	Year of Birth
Robert Hopkins	Jun	1968
Frances Northrop	Dec	1971
Pat Shepherd	Jul	1960

Carly Trisk-Grove

Oct

1977

Ian Trisk-Grove

Jan

1978

3.2 All directors must be 16 or older. Please confirm this is this case:

All directors are aged 16 or over

3.3 Societies are within the scope of the Company Director Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

No director is disqualified

3.4 Please state any close links which any of the directors has with any society, company or authority.

'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

Robert Hopkins:

Catalyst and Outreach Manager - Transition Network.

Director - New Lion Brewery

Non-exec Director - The Open Food Network

Trustee - King Edward VI College Site Foundation CIO

Frances Northrop:

Project Manager, Director - Frances Northrop Ltd

Director - Encounters Arts Ltd

Trustee - King Edward VI College Site Foundation CIO

Director - Caring Town Totnes

Director - The London Trades Guild

Pat Shepherd:

Trustee - King Edward VI College Site Foundation CIO

Carly Trisk-Grove:

Director - OPOP C.I.C.

Trustee - King Edward VI College Site Foundation CIO

Ian Trisk-Grove:

Director - OPOP C.I.C.

Director - ITG Finance Consulting Limited

Trustee - King Edward VI College Site Foundation CIO

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.

Societies must have a secretary

Name of Secretary

Month of Birth

Year of Birth

Frances Northrop

Dec

1971

4.1 Please confirm that:

- accounts are being submitted with this form
- the accounts comply with relevant statutory and accounting requirements
- the accounts are signed by two members and the secretary (3 signatures in total)

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members

434

Turnover

26,095

Assets

16817

Number of Employees

0

Share Capital

434

Highest rate of interest paid on shares

0

4.3 What Standard Industrial Classification code best describes the society's main business?

Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes [here](#)

SIC Code

Development of building projects (41100)

*

Societies are required to appoint an auditor to audited unless they are small or have disappplied this requirement. For further guidance see chapter 7 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- Full Professional Audit
- Auditor's report on the accounts
- Lay Audit
- No audit

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

- Yes
- Not applicable

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

- Yes
- No

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

- Registered
- Not applicable

5.6 Is the society a housing association?

- No
- Yes

6.1 Is the society a subsidiary of another society?

- Yes

No

6.2 Does the society have one or more subsidiaries?

(As defined in sections 100 and 101 of the Act)

Yes

No

6.3 If the society has subsidiaries, please provide the names of them below

(or attach an additional sheet)

**Reg
Number**

Name

1174184

CIO King Edward VI College Site Foundation - The Mansion

6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions:

(the society must have written authority from us to exclude a subsidiary from group accounts)

**Reg
Number**

Name

Reason for Exclusion

1174184

CIO King Edward VI College

1) Expense or preparation our of proportion to the value to the members; and
2) the business of TCDS and of this subsidiary are so different that they cannot be reasonably treated as a single undertaking

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); or
- are conducting business for the benefit of the community ('community benefit society').

You must answer the questions set out in in the next section of this form, depending on which condition for registration you meet.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance [here](#).

7.1 Condition for Registration

- Co-operative society
- Community Benefits society

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society?

For example, did you provide social housing, run an amateur sports club etc.

Totnes Community Development Society works to bring spaces into community use, management and ownership, including working in partnership with other groups and organisations locally to achieve this and in support of local service provision.

In 2021 Totnes Community Development Society main projects were:

- Managed the Mansion on Fore Street in Totnes as a community facility held by the King Edward VI College Site Foundation.
- Maintained a focus on realising 'Atmos Totnes', a community-led redevelopment of the former Dairy Crest site adjacent to Totnes railway station for truly affordable housing, community and work space.

7B.2 Please describe the benefits to the community the society delivered?

Here we are looking to see what the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

The Totnes community benefited from:

- Participation and democratic control of community-led development, renovation projects and programmes.
- Provision of affordable or free space for locally driven or community led activities. These include self-help groups, adult education, childcare provision, art classes, movement workshops, therapy, training, creative arts spaces etc
- Developing their skills and capacity for collective management, use and ownership of community buildings through volunteer and training opportunities.

7B.3 Please describe how the society's business delivered these benefits?

The business of the society must be conducted for the benefit of the community. Please describe how the society's business (as described in answer to question 7B.1) provided benefit to the community.

- Up until early 2021 the Totnes Community Development Society (TCDS) progressed work to meet the conditions of the Made Community Right to Build Order (Planning Permission) for community-led development Atmos Totnes.
- Although the site was subsequently lost to another party, work has been ongoing with a number of supporters and/or interested parties to explore how the project may be realised and provide the community owned and led development planned.
- TCDS continued its work to stabilise the King Edward VI College Site Foundation (the Mansion) in Totnes. A large Listed building, which through TCDS is in community management creating access to low cost or free space for use.
- All building users meet the objectives of the Foundation and therefore conduct activities that support the education and wellbeing of the inhabitants of Totnes and the surrounds.
- TCDS continued to lead on preparing the case for redeveloping the Mansion to improve the facilities available and the sustainability of the building.

7B.4 Did the society work with a specific community, and if so, please describe it here?

For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

The Society's activities are predominantly focused within Totnes, Devon and therefore, benefit those who live within Totnes and the surrounding areas.

7B.5 What did the society do with any surplus or profit?

For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

The Society recorded a deficit for the year.

In previous years, when a small surplus has been realised, this is reinvested into the ongoing not-for profit charitable activities of the organisation for the benefit of the people of Totnes in accordance with the Society's Objectives as detailed in the Rules of the organisation.

7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest.

Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

Totnes Community Development Society (TCDS) manages the Mansion, the asset of the King Edward VI College Site Foundation (CIO), its subsidiary. A Service Level Agreement (SLA) is in place to ensure appropriate clarity of the arrangements between organisations and to ensure that both organisations can fulfil their individual but complimentary constituted objectives, that meet the needs of the community.

Specifically in relation to the SLA and where other opportunities arise for activities which can benefit the community through meeting the objects of TCDS and the King Edward VI College Site Foundation such matters are reviewed regularly through Board of Directors and Trustee meetings respectively to ensure appropriate oversight and regard for the specific objects and governance processes of the two organisations.

Society Number: IP031671
(England and Wales)

Totnes Community Development Society Limited

Report of the Directors and Audited Financial Statements

For the year ended 31 December 2021

Totnes Community Development Society Limited

For the year ended 31 December 2021

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Totnes Community Development Society Limited

For the year ended 31 December 2021

Report of the Directors

The Directors have pleasure in presenting their report and the financial statements for the Society for the year ended 31 December 2021. Because of the not for profit nature and small size of the organisation the Directors have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)(effective 1 January 2019).

Reference and Administrative Information

The directors, principal address and particulars of the Society's professional advisors are given on page 8.

Structure, Governance and Management of Totnes Community Development Society

Totnes Community Development Society Limited was established on 9 July 2012 for the benefit of the community. The Society is a Registered Society and is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014.

Its business is directed by the Directors.

Totnes Community Development Society established new rules with the Financial Conduct Authority on the 5th June 2017 and 25th January 2019. The changes provide for more appropriate details around the objectives of the Society, and also provided for an enhanced asset lock for the activities of the organisation. These were subsequently accepted by HMRC who confirmed that TCDS should be treated as a charity for tax purposes from 5th June 2017.

In accordance with the Rules of the Society, membership is formed of founding members and additional members invited at the discretion of the Directors. At 31 December 2021 the Society had a membership of 434.

Objectives and Activities of Totnes Community Development Society

The society is formed for the benefit of the community. Its charitable objects shall be the promotion for the public benefit of urban and rural regeneration in areas of social and economic deprivation (and in particular in Totnes) by all or any of the following means:

- Maintain or improve the physical, social and economic infrastructure provided that such maintenance or improvement shall not extend to relieving local authorities or other bodies of a statutory duty to maintain or improve;
- Advance education, training or retraining, particularly among unemployed people and providing unemployed people with work experience;
- Provide 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:
 - in setting up their own businesses, or
 - to existing businesses;
- Create training and employment opportunities by the provision of workspace buildings, and/or land for use on favorable terms;
- Provide housing, including social housing, for those who are in conditions of need and the improvement of housing in the public sector of in charitable ownership provided that such provision shall not extend to relieving local authorities or other bodies of a statutory duty to provide or improve housing;
- Maintain, improve and provide public amenities;

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Report of the Directors (Continued)

- Provide recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances have need of such facilities;
- Protection or conservation of the environment;
- Facilitate community ownership of renewable energy production;
- Promote and support the arts locally;
- Function in accordance with the legal definition of a Community Land Trust;
- Promote and protect local heritage;
- Provide public health facilities and childcare;
- Promote public safety and prevention of crime;
- Any other charitable object that can be carried out from time to time by a charitable Community Benefit Society.

At this time the society's projects are the ongoing management of the King Edward VI College Site Foundation (The Mansion House) in Totnes and pursuing Atmos Totnes (seeking to bring the former Dairy Crest site into community ownership and use).

The subsidiary of Totnes Community Development Society

The King Edward VI College Site Foundation CIO (Charity number 1174184) is controlled by Totnes Community Development Society as detailed within the Foundations constitution, entered into the Registers of Charities on 9th August 2017. The object of the Foundation is concurrent with the objects of Totnes Community Development Society.

The charitable object of the King Edward IV College Site Foundation CIO (locally known as the Mansion) is that the Mansion is “a centre for the provision of facilities for the promotion of further education for the inhabitants of Totnes, and subject thereto for meeting, lectures, classes, physical exercise and other forms of recreation and other leisure time occupation in the interests of social welfare with the object of improving the conditions of life for the said inhabitants.”

Despite the substantial advantages and advances of the Society developing and managing a multiple asset base for the public benefit of Totnes and surrounds through the governance of these two entities within, neither Totnes Community Development Society or The King Edward VI College Site Foundation CIO have made financial guarantees to the other entity. Furthermore, the manner in which the Society controls the Foundation requires the appropriate conduct of both organisations in accordance with the FCA, Charity Commission, HMRC or Companies House rules as they relate to each organisation.

The Society has been granted an exemption from producing consolidated group accounts by its regulator, the Financial Conduct Authority, because:

- it would involve expense or delay out of proportion to the value to those members; and
- the business of the society and that of the subsidiary are so different that they cannot reasonably be treated as a single undertaking

King Edward VI College Site Foundation CIO produces annual financial statements that are available for the members to review and can be requested from the Secretary or obtained from the Charities Commission website once they have been submitted.

Annual Review and Society Report

Totnes Community Development Society has long recognised the potential that multiple asset development and management within a not for profit community organisation offers for long term viability and sustainability of both the assets and the services/activities offered within the assets. Its work since incorporation has been undertaken in the

Totnes Community Development Society Limited

For the year ended 31 December 2021

belief that there is a greater opportunity for the assets themselves to be better sustained as a consequence of being able to cross subsidise across the multiple asset base. Practically using surpluses generated through the management of one asset to subsidise work in another. In this way the Society also believes that multiple asset development and management within a not for profit community organisation can collectively sustain and support critical service provision that meets local need. Practically by being able to hold rent or hire charges at affordable levels or by providing free space (where appropriate to do so) to support services under threat of closure due to lack of finances. The Society therefore recognises that its role is not one of activity and service delivery but supporting others to deliver services and activities from within the space it manages; buildings and spaces which are collectively owned by the local community.

The aim of all work completed during the course of 2021 was to re-establish provision of services following the unprecedented issues caused by the Covid-19 pandemic and as far as possible, strategic planning for the development of a multiple asset base across Totnes.

Organisational Development

Totnes Community Development Society has been established to develop and manage assets in Totnes for the benefit of the community of Totnes, therefore prioritising the sustainability of the organisation over its delivery is something the Directors of the Society have sought and continue to seek to guard against. The balance the Directors of the Society are seeking to achieve is one where operating costs are kept low through ensuring there is just sufficient resources within the Society to deliver its projects.

The Society's Strategic Plan, developed over the course of 2019, set out the planned work to be achieved over the seven years to 2026. The Strategic Plan considers the following four areas and remains unchanged:

- The organisational development needs of the Society: including consideration of staffing and commissioned experts required and also the development of any new legal entities.
- Systems development: including the further development and integration of processes and systems, including the development of CRM, financial management and other IT software.
- The development of the membership base
- The development of volunteering opportunities

Developing Organisational Capacity

The review of current capacity indicates that there is a great deal of emphasis on Directors to support the work of the Society in a pro-bono capacity. This can result in at times certain Directors providing in the range 20 to 40 voluntary hours per week to the Society. Whilst there is a need for Directors to discharge their responsibilities in relation to the governance of the Society and to support the programme structure, there is a clear risk to the Society in such a workload falling on Directors. Firstly, because Directors are volunteers and are likely to have work requirements which will limit the time they can provide the Society and secondly, because there is a rotation of the Directors every year, organisational continuity could be a challenge.

The review of capacity indicates that there is a need to develop additional limited paid professional capacity within the Society. Directors can therefore continue to provide pro-bono support to the work of the Society, as well as ensure that there is capacity so as to achieve greater sustainability for the organisation.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Report of the Directors (Continued)

Members and involvement

Member involvement and engagement is critical to the legitimacy and work of the Society. Whilst Directors of the Society remain unhappy with the level of membership and recognise the need to continue to both increase the number of members and to support and enable members to become more actively involved in the day to day work of the society, by the end of December 2021 the membership of the Society was 434 members, an increase of 22 over the year.

Volunteering Opportunities

Although the Society would always welcome volunteers to assist in the delivery of its core aims, most opportunity is focused on the managed site at the Mansion. Since reopening in April 2021, volunteering at the Mansion has gone from strength to strength and is growing in numbers. There is a loyal core, with the social aspect of volunteering being felt amongst those now joining and regularly participating. The spaces and rooms were cleared and all available space is now utilised for leasing and hiring by users. The courtyard is back in regular use with much gardening, decorating and maintenance ongoing alongside the wonderful atmosphere created by both The Edgy Veggie cafe and Pizza Pirates.

In August 2021 a new Volunteer coordinator was appointed to bring focus and energy to further increasing numbers once again, with a view to strengthening the support that the Mansion site, its buildings, users and the Trustees need. Many roles are being identified which can be filled by all ages and abilities as volunteers.

Atmos Totnes

With the conclusion of a dramatic 2020, where control of the Dairy Crest site was passed to FastGlobe (Mastics) Ltd, the year from January 2021 has been focused on pursuing various avenues to re-securing the site. It was confirmed in March 2021, when the Land Registry entry was changed, that the site had been sold to FastGlobe (Mastics) Ltd for £1.35m. TCDS continues to explore ways in which we can regain the site, and develop it in the way that 86% of the community who voted in the referendum supported. We are in dialogue with Saputo (Dairy) UK's parent company, Saputo Inc. in Canada, to whom we submitted a detailed complaint as to how the deal was done.

A local campaign was formed in support of the need for the Atmos site to be continued as planned under the Community Right to Build Order for Totnes. This group invested considerable effort during the year to raise awareness of the Atmos project and what it means in real terms for our town. The group continues to run a campaign and have been asking questions of the process that led to the site now being in the ownership of an entity other than TCDS.

Looking to 2022

Following the conclusion of the financial year, 2022 has seen TCDS in a far more stable financial position. Alongside supporting the growth of the Mansion, the key focus for the Society remains challenging how the Dairy Crest site remains undeveloped, questioning why no clear plan exists and building support for it to regain ownership. Furthermore, the directors recognise work to reconsider the Strategic Plan and update this in line with where the Society finds itself by the end of 2022 will be a key task for the second half of the year so that it is in the best possible position to enter 2023.

What is clear is that spaces like the Mansion, and developments like Atmos, will be needed more than ever when the full and long term impact of the Coronavirus is felt. There will be a need to rebuild communities and support those who have been or are at risk of being marginalised, which given the economic impact is likely to be a significant number.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Report of the Directors (Continued)

The Directors believe that the model developed by Totnes Community Development Society (collective community ownership of assets held within the ownership of the community for the community where everyone is regarded equally and everyone is provided with the opportunity to give of themselves, alongside working with statutory bodies and engaging with others, for the benefit of the whole of the community) is one that will be required in the post-Coronavirus world.

Financial Review

The Society is operated through donations, grants, philanthropic giving, trading to raise funds and through loan facilities, as set out in the notes to the accounts. The Society operates within the terms of those loans and is constantly working to secure further income.

The Directors believe it is reasonable to rely on the continuation of the loan facilities and of obtaining the necessary grants for continuation of activities and projects in accordance with the objectives of the organisation. Despite the current situation regarding Atmos, we remain supported by those who have made available loan facilities as we continue to explore the options. We have confirmed with all parties that there is no immediate recall on the loans and that they are comfortable to retain their position into the longer terms whilst at the same time the Society reconsiders how to restructure its financing arrangements.

At the date of this report the Society has no reserves. However, Directors acknowledge that as the organisation develops projects, capital assets and direct beneficiaries, such as staff, there will need to be a consistent and regular review of this reserves policy to account for more complex risks and liabilities.

The outturn for the year was a deficit of £14,542 (2020: deficit of £718,180). Pre-development expenditure incurred in respect of Atmos Totnes in prior years were included as a prepayment within debtors on the Balance Sheet as at 31 December 2019, in the sum of £688,930. As a result of the loss of the site and the outlook of the project progressing in doubt, the expenditure was provided for and charged to the Statement of Financial Activities in the prior year, a further £16,119 was accrued in the current year in relation to further interest due against the development loans. The pre-development expenditure remains fully provided for as at 31 December 2021.

Due to the minimal costs incurred by the society the forecast for 2022 is to achieve a breakeven position.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Report of the Directors (Continued)

Reference and Administrative Information

Name of Society	Totnes Community Development Society Limited
Society registration number	IP031671
Principal address	The Mansion 36 Fore Street Totnes Devon TQ9 5RP

Directors

The Directors serving during the year and since the year end were as follows:

David Chapman	<i>Resigned February 2021</i>
Robert Hopkins	
Frances Northrop	
Anna Lodge	<i>Resigned February 2021</i>
Pat Shepherd	<i>Appointed May 2021</i>
Carly Trisk-Grove	<i>Appointed May 2021</i>
Ian Trisk-Grove	<i>Appointed May 2021</i>

Secretary Frances Northrop

Auditors PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Responsibilities of the Directors

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Directors are required to prepare the financial statements for each financial year which give a true and fair view of the Society and of the incoming resources and application of resources 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
- observe the methods and principles in the charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that this basis applies.

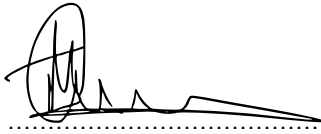
Totnes Community Development Society Limited

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Report of the Directors (Continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefits Societies Act 2014. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on its behalf by



.....

Ian Trisk-Grove
Director

29 July 2022

Totnes Community Development Society Limited

For the year ended 31 December 2021

Independent Auditors Report to the Members

Opinion

We have audited the financial statements of Totnes Community Development Ltd (the "society") for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which sets out the circumstances resulting in the net current liabilities at the balance sheet date of £635,690 and the society's reliance on the continued support of loan funders. These conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors Report to the Members (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the industry/sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the key laws and regulations.

The key laws and regulations we identified were those that have a direct impact on the preparation of the financial statements such as the Co-operative and Community Benefit Societies Act 2014.

We discussed with management how the compliance with these laws and regulations are monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the accounts.

Independent Auditors Report to the Members (continued)

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of any legal & professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Review of Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. We determined that the principal risks were related to the understatement of the deficit through the manipulation of cut-off, in respect of both income and expenditure.

In response to the identified risk, as part of our audit work we:

- Reviewed income and performed substantive testing.
- Performed detailed work on revenue recognition, focusing in particular on recognition of grants.
- Performed detailed work on expenditure, including assessing whether expenditure was accounted for in the correct period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Independent Auditors Report to the Members (continued)

Use of our report

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

PKF FRANCIS CLARK

Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

29 July 2022
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Totnes Community Development Society Limited

For the year ended 31 December 2021

**Statement of Financial Activities
(including Income and Expenditure Account)**

	Notes	Unrestricted funds	Restricted funds	2021	2020
		£	£	£	£
Income and endowments from:					
Donations, legacies and grants	2	8,593	-	8,593	59,756
Charitable activities	3	-	-	-	1,105
Other income	4	17,502	-	17,502	19,611
Total		26,095	-	26,095	80,472
Expenditure on:					
Charitable activities	5/6	(40,637)	-	(40,637)	(798,652)
Total		(40,637)	-	(40,637)	(798,652)
Net income/expenditure		(14,542)	-	(14,542)	(718,180)
Reconciliation of funds					
Total funds brought forward		(63,930)	(557,218)	(621,148)	97,032
Total (overdrawn)/funds carried forward		(78,462)	(557,218)	(635,690)	(621,148)

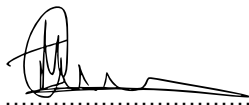
Totnes Community Development Society Limited

For the year ended 31 December 2021

Statement of Financial Position at 31 December 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	10	15,486	7,382
Cash at bank and in hand		1,331	4,373
		16,817	11,755
Creditors: amount falling due within one year	11	(652,507)	(632,903)
Net assets/(liabilities)		(635,690)	(621,148)
The funds of the charity			
Restricted income funds	12	(557,218)	(557,218)
Unrestricted income funds	12	(78,472)	(63,930)
Total (overdrawn)/funds		(635,690)	(621,148)

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:



Ian Trisk-Grove
Director



Rob Hopkins
Director



Francis Northrup
Secretary

29 July 2022

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(Effective 1 January 2019)', Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

Totnes Community Development Society Limited 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 note(s).

The Society has one active subsidiary undertaking, the King Edward VI College Site Foundation. These financial statements however comprise only the results of the parent undertaking, Totnes Community Development Society ("the Society").

The Society has been granted an exemption from producing consolidated group accounts by its regulator, the Financial Conduct Authority, because:

- it would involve expense or delay out of proportion to the value to those members; and
- the business of the society and that of the subsidiary are so different that they cannot reasonably be treated as a single undertaking.

Going concern

The largest project undertaken by the Society was the re-development of the former Dairy Crest site in Totnes under a Community Right to Build Order.

As noted in the directors' report, the site owners, Saputo (Dairy) UK, exchanged contracts with another party (FastGlobe (Mastics) Ltd) and requested return of the keys for the site from the Society.

The Society has set out to both Saputo (Dairy) UK and FastGlobe (Mastics) Ltd. that it is seeking to pursue its legal interest in the site and is also seeking to ensure that the statutory undertakings and planning obligations that exist on the site are appropriately handed over whilst the Society pursues its interest.

Given the above there is significant uncertainty whether the Society will be able to continue with this project. As a result, all project costs previously included in prepayments, totalling £688,930 have been fully provided against and expensed in the Statement of Financial Activity.

The directors believe that the project is not yet concluded and are exploring a number of lines of enquiry to determine if there is a possibility, in some form, of delivering the planned site. Thanks to the support of those third-parties who have provided historical financing to the Society, it has been confirmed five of the six loan obligations are not repayable in the next 12 months and we expect in due course to confirm that the remaining loan which falls due in November 2022 will be rolled over for a further 12 months. As a result, the directors consider the Society is a going concern for the foreseeable future.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

Incoming resources

All incoming resources are included in the statement of financial activities when the Society is entitled to the income and the amount can be qualified with reasonable accuracy.

Income from donations and grants, including capital grants, are included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the Society must be used in future accounting periods, the income is deferred until those periods; and
- When donors impose conditions which have to be fulfilled before the Society becomes entitled to such income, the income is not included in incoming resources until the pre-conditions for use have been met.

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Society to the expenditure. All expenditure is accounted for on an accruals basis and includes irrecoverable VAT.

Expenditure attributable to meeting the Society's objectives, including the support costs, is included in the Charitable Activities.

Governance costs comprise the costs involving the public accountability of the Society, and its compliance with regulation and good practice. These costs include the costs related to the preparation of the financial statements and legal fees.

Overhead costs incurred wholly or mainly in support of expenditure on the objectives of the Society, and being an integral part of the costs of carrying out those activities, are separately analysed within the Charitable Expenditure in the Statement of Financial Activities.

Taxation

No liability to taxation arises for the year ended 31 December 2021. The Society obtained confirmation from HMRC that it is to be treated as a charity for taxation purposes from 5 June 2017.

Irrecoverable VAT

Irrecoverable VAT is included in the Statement of Financial Activities and is reported as part of the expenditure to which it relates.

Prepayments

Pre-development expenditure incurred in respect of Atmos Totnes in prior year were included as a prepayment within debtors on the Balance Sheet as at 31 December 2020, in the sum of £688,930 (2019: £688,930). As a result of the loss of the site and the outlook of the project progressing in doubt, the expenditure was fully provided for and released from the Balance Sheet in the prior year.

Total pre-development expenditure on the Atmos project, totals £1,168,394 at 31 December 2021.

Concessionary Loans

Loans received that are not repayable on demand and are for the purposes of furthering the objectives of the Society are initially recognised at the amount received and subsequently adjusted for repayments and interest payable accrued.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

2. Income from donations and grants

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Grants received	-	-	-	59,200
Donations received	8,593	-	8,593	556
	8,593	-	8,593	59,756

3. Income from charitable activities

	2021	2020
	£	£
Community Development		
Income from Elmhirst Rental	-	1,105

4. Other income

	2021	2020
	£	£
Unrestricted funds	17,502	19,611
Restricted funds	-	-
	17,502	19,611

The Society received £8,000 (2020: £nil) in the year from its subsidiary KEVICSF for services provided by the Directors under a Service Level Agreement, and £9,502 (2020: £14,875) of income from the recharge of expenditure.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

5. Costs of charitable activities by fund type

	Unrestricted funds	Restricted funds	2021	2020
	£	£	£	£
Regeneration of Dairy Crest Site	23,232	-	23,232	746,894
Support costs	17,405	-	17,405	51,758
	40,637	-	40,637	798,652

6. Costs of charitable activities by activity type

	Activities undertaken directly	Support costs	2021	2020
	£	£	£	£
Support costs				
Regeneration of Dairy Crest Site	23,232	17,405	40,637	798,652

7. Analysis of support costs

	2021	2020
	£	£
Office rent and utilities	2,527	150
Office and administration costs	13,697	43,568
Finance and bank charges	27	36
Governance costs	1,154	8,004
	17,405	51,758

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

8. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2021	2020
	£	£
Accountancy fees	(721)	2,514
Auditor's fees	1,875	5,490

9. Staff costs

Total staff costs for the year ended 31 December 2021 were:

	2021	2020
	£	£
Salaries and wages	751	21,685
Members of staff	1	2

10. Debtors

	2021	2020
	£	£
Amounts due within one year:		
Trade debtors	-	60
Amounts due from subsidiary	8,172	-
Prepayments and accrued income	7,314	7,322
Prepaid development costs	688,930	688,930
Provision for possible impairment of costs	(688,930)	(688,930)
	15,486	7,382

As at the year end, the net development prepayment amounted to £nil (2020 - £nil).

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	7,704	7,765
Other creditors	550,378	540,906
Accruals and deferred income	94,425	84,232
	652,507	632,903

Other creditors include loans that are both unsecured and at risk, with repayment only necessitated by the commencement of the former Dairy Crest Site. The total figure comprises:

1. a loan from the Environmental Research Association, totalling £50,000. This loan is unsecured and at risk, interest free and is repayable on the commencement of the development of the south side of the former Dairy Crest Site.
2. a loan from Venturesome of £70,000. The loan is unsecured and at risk with an agreed charge on repayment of £17,500. This loan was due for repayment at the latest of 31 December 2016, however the loan has been fully provisioned and further extension by Venturesome for 12 months was confirmed in November 2021.
3. a loan of £120,000 to the Society from a private investor. This loan is unsecured and at risk with an agreed interest charge of 2%, to a maximum charge of £2,400. This loan is repayable on the commencement of construction.
4. a loan of £50,000 to the Society from a private investor. This loan is unsecured, at risk and interest free. If the Society defaults on payments then interest is chargeable daily at a rate of 4% above LIBOR. The loan is due for repayment on either the first day of commencement of the construction work or 1 April 2018, however a further extension has been agreed to July 2023. Interest is calculated from 9 months following this date.
5. a loan of £25,000 to the Society from a private investor. This loan is unsecured and at risk with an agreed interest charge of 2%, to a maximum charge of £2,400. This loan is due for repayment at the latest of 5 April 2020, however an extension has been agreed to July 2023.
6. a loan from Charities Aid Foundation (CAF) of £225,000. This loan is unsecured and at risk with an agreed interest rate of 5%, to a maximum charge of £11,250. This loan was repayable at the latest of 30 June 2019, however a further extension has been agreed to July 2023.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

12. Movement in funds

Unrestricted funds

	Balance at 01.Jan.21	Incoming resources	Outgoing resources	Transfers	Balance at 31.Dec.21
General	£	£	£	£	£
Regeneration of Dairy Crest Site	(65,279)	8,500	(23,232)	-	(80,011)
Shares	415	19	-	-	434
General Fund	934	17,576	(17,405)	-	1,105
	(63,930)	26,095	(44,222)	-	(78,472)

Unrestricted funds - Previous year

	Balance at 01.Jan.20	Incoming resources	Outgoing resources	Transfers	Balance at 31.Dec.20
General	£	£	£	£	£
Regeneration of Dairy Crest Site	(67,955)	46,234	(43,558)	-	(65,279)
Shares	377	38	-	-	415
General Fund	934	-	-	-	934
	(66,644)	46,272	(43,558)	-	(63,930)

Restricted funds

	Balance at 01.Jan.21	Incoming resources	Outgoing resources		Balance at 31.Dec.21
	£	£	£		£
Predevelopment funding	(602,108)	-	-		(602,108)
The Mansion Trustee Fund	44,890	-	-		44,890
	(557,218)	-	-		(557,218)

Restricted funds - Previous year

	Balance at 01.Jan.20	Incoming resources	Outgoing resources		Balance at 31.Dec.20
	£	£	£		£
Predevelopment funding	118,786	34,200	(755,094)		(602,108)
The Mansion Trustee Fund	44,890	-	-		44,890
	163,676	34,200	(755,094)		(557,218)

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

Movement in funds (continued)

The income funds of the Society include restricted funds. On 31 December 2021 there were restricted funds of £557,218 over expended (2020 - £557,218 over expended).

There were no restricted funds received in the year. In the prior year the funds received were in relation to a grant from the Community Housing Fund.

13. Analysis of net assets between funds

	Net current assets/ (liabilities)	Net assets/ (liabilities)
Unrestricted funds		
General	1,105	1,105
Regeneration of Dairy Crest Site	(80,011)	(80,011)
Share Capital	434	434
Restricted funds		
Pre Development	(602,108)	(602,108)
The Mansion Trustee	44,890	44,890
	(635,690)	(635,690)
Previous Year		
	Net current assets/ (liabilities)	Net assets
Unrestricted funds		
General	934	934
Regeneration of Dairy Crest Site	(65,279)	(65,279)
Share Capital	415	415
Restricted funds		
Pre Development	(602,108)	(602,108)
The Mansion Trustee	44,890	44,890
	(621,148)	(621,148)

Totnes Community Development Society Limited

For the year ended 31 December 2021

Notes to the Financial Statements (continued)

14. Related party transactions

During the year the society charged service charges and recharged expenses to its subsidiary The King Edward VI College Site Foundation totalling £17,502 (2020: £14,875) but were not recharged for income (2020: £8,200). As at 31 December 2021 £5,969 was due from (2020: £676 due to) the society's subsidiary.

Totnes Community Development Society Limited

For the year ended 31 December 2021

Detailed Statement of Financial Activities

	2021	2020
	£	£
Income and Endowment		
Donations	8,593	556
Grants receivable	-	59,200
	8,593	59,756
Charitable activities		
Income from charitable activities (Community Development)	-	1,105
Other Income		
Income from Service Level Agreement with subsidiary	8,000	-
Admin costs recharged to subsidiary	9,502	14,875
HMRC Job Retention Scheme	-	4,736
	17,502	19,611
Total Incoming Resources	26,095	80,472
Expenditure		
Charitable activities		
Provision for predevelopment costs (Regeneration of Dairy Crest Site)	(16,119)	(688,930)
Grant expenditure	-	(46,214)
Loan interest accrued on amounts due to other creditors	(797)	(11,750)
Legal fees	(6,316)	-
	(23,232)	(746,894)
Support costs		
Office rent and utilities		
Water rates	-	(112)
Electricity costs	-	(38)
Room hire costs	(2,527)	-
	(2,527)	(150)

Totnes Community Development Society Limited

For the year ended 31 December 2021

Detailed Statement of Financial Activities (continued)

	2021	2020
	£	£
Office and administration costs		
Recharge grant income to subsidiary	-	(8,200)
Website and computer costs	(305)	(587)
Membership and subscriptions	(270)	(108)
Telephone costs	-	(103)
General expenses	-	(479)
Insurance costs	(12,371)	(12,406)
Wages and salaries	(751)	(21,685)
	(13,697)	(43,568)
Finance and bank charges		
Bank charges	(27)	(36)
Governance costs		
Accountancy fees	721	(2,514)
Audit fees	(1,875)	(5,490)
	(1,154)	(8,004)
Total resources expended	(17,405)	(798,652)
Net expenditure	(14,542)	(718,180)