

Company registration number: 03686719  
Charity registration number: 1076541

# The PROSPECTS Foundation

Annual Report and Financial Statements

for the Year Ended 31 October 2012

MR Heaton FCCA FCIE  
Independent Examiner  
4 - 6 Grimshaw Street  
Burnley  
BB11 2AZ

## **The PROSPECTS Foundation**

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**The PROSPECTS Foundation**  
**Reference and Administrative Details**

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st October 2012.

<b>Charity name</b>	The PROSPECTS Foundation	
<b>Charity registration number</b>	1076541	
<b>Company registration number</b>	03686719	
<b>Principal office</b>	20 Cannon Street Accrington Lancashire BB5 1NJ	
<b>Registered office</b>	20 Cannon Street Accrington Lancashire BB5 1NJ	
<b>Trustees</b>	Mr P Vincent-Barwood, Chairperson Mr M Clarkson Mr C Cooper Mr N Cort, Treasurer Mr P Gott Cllr H Grayson Mr S Hemingway Ms C Holmes Mr W Matthews Cllr M Parkinson Mr G Robinson Mrs M Worden Mr P Worswick (appointed 28 March 2012) Mr N Mooney (appointed 11 June 2012)	
<b>Secretary</b>	Mrs M Worden	

**The PROSPECTS Foundation**  
**Reference and Administrative Details**

<b>Solicitor</b>	Forbes Solicitors Rutherford House 4 Wellington Street (St Johns) Blackburn BB1 8DD
<b>Bankers</b>	Triodos Bank Bristol Brunel House 11 The Promenade Bristol BS8 3NN
<b>Investment Advisor</b>	Wrigleys Solicitors 19 Cookridge Street Leeds West Yorks LS2 3AG
<b>Independent Examiner</b>	M R Heaton FCCA FCIE 4 - 6 Grimshaw Street Burnley Lancashire BB11 2AZ

## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **THE TRUSTEES**

The trustees who served the charity during the period were as follows:

Mr Philip Vincent-Barwood	Chairperson
Cllr John Broadley	Church PROSPECTS Panel
Mr Michael Clarkson	Individual member
Mr Colin Cooper	Rishton PROSPECTS Panel
Mr Nicholas Cort	Treasurer
Mr Paul Gott	Huncoat Forum
Cllr Harry Grayson	Hyndburn Borough Council representative
Mr Stephen Hemingway	Individual member
Ms Catherine Holmes	Church PROSPECTS Panel previously Clayton-le-Moors with Altham PROSPECTS Panel (until 28/03/12)
Mr William Matthews	Baxenden Community Forum
Mr Neil Mooney	Individual member
Cllr Miles Parkinson	Lancashire County Council representative
Mr Gwyn Robinson	Oswaldtwistle PROSPECTS Panel
Mrs Margaret Worden	Individual member
Mr Paul Worswick	Clayton-le-Moors with Altham PROSPECTS Panel

#### **Senior Management**

Day-to-day running of the charity was delegated to Elizabeth Taylor and Michael Stapleford Charity Development Manager (job share), during the year.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Appointment and election of Trustees**

The committee should consist of the following persons:

- (a) the Chair of the PROSPECTS Forum
- (b) Eight representatives of the local PROSPECTS Panels
- (c) One representative of Hyndburn Borough Council
- (d) One representative of Lancashire County Council
- (e) Up to six members, three of whom shall be sponsors of PROSPECTS, elected at the AGM

Under paragraphs (a) to (d) above, each external body is entitled to appoint one charity trustee, to serve on the committee.

In addition to the above, the committee has the power at any time to co-opt up to six persons to be Committee members, either to fill casual vacancies or as an addition to the existing members. The maximum number of committee members will not exceed twenty-three.

## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **Induction and training of Trustees**

The Management Committee is responsible for the governance and overall strategic direction of the Foundation. Therefore, trustees need to be aware and capable of meeting those responsibilities for the benefit of all involved with the Foundation and associated groups and organisations. The responsibility of ensuring that trustees are given an appropriate induction lies with the current Chairperson. Once trustees are appointed, they are given a Trustees Induction Pack which includes information on:

- Background information about The PROSPECTS Foundation
- Roles & Responsibilities of Trustees
- Organisational Chart
- Charity Commission leaflet 'Responsibilities of Charity Trustees'.

Appropriate training is arranged for Trustees, following consultation on their training needs.

#### **Organisational Structure**

In general, the trustees have overall responsibility for the governance and strategic direction of the Foundation. The day-to-day operational business of the Foundation is delegated to the Charity Development Manager.

#### **Relationships with related parties**

##### **a. The PROSPECTS Panels**

Each of the 8 PROSPECTS Panels has one representative appointed to the PROSPECTS Foundation Management Committee.

##### **b. Prospects Plastics Ltd. (PPL)**

Prospects Plastics Ltd. did not operate during the year, and, with the agreement of all interested parties, the company has been dissolved. Prior to this during the year, the PROSPECTS Foundation owned a 50% share in the company, as did Lancashire County Developments (Property) Ltd. The trustees appointed by the PROSPECTS Foundation to the Board of Directors of PPL were Philip Vincent-Barwood and Nicholas Cort.

#### **Risk management**

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operation and finance of the charity and are satisfied that systems are in place to mitigate their exposure to major risks.

The Charity has insurance cover as follows:

Public Liability £5 million

Employers Liability £10 million

Products Liability £5 million

Directors and Officers £1 million

Legal Protection £1 million

Property Damage

Personal Accident for Volunteers.

## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **OBJECTIVES AND ACTIVITIES**

##### **OUR CHARITY'S OBJECTS**

###### **Public Benefit**

The trustees confirm that we have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity should undertake.

The objects of the Foundation, as set out in the Memorandum of Association, are as follows:

The Company is established for the general benefit of persons resident in Hyndburn in such manner as may be charitable and in particular but not so as to limit the foregoing:

- (i) The protection, reclamation, remediation, restoration and safeguarding of the environment and the countryside;
- (ii) The control and reduction of waste, pollution, and resource use in the environment, particularly within the context of Local Agenda 21;
- (iii) The conservation and protection of land or property which is of aesthetic, religious, historic, architectural or scientific value and;
- (iv) The education of the public about all aspects of the environment.

##### **OUR CHARITY'S ACTIVITIES IN NOV 2011 to OCT 2012**

In order to achieve the objectives set out above, the Foundation carried out the following programmes of work in the financial year:

###### **a. Community Response to Climate Change (Local Action: Global Impact)**

The Tudor Trust and the Esmee Fairbairn Foundation both provided an additional year of funding to extend this project until the end of October 2012. The project aims to reduce the negative impacts of Climate Change and the Energy Crisis on disadvantaged communities by supporting them to develop their own low carbon projects, leading to more sustainable lifestyles, and a better quality of life. Activities have included public talks; energy awareness promotion; using a thermal imaging camera to show waste heat in schools and homes; initiating use of a rocket composter at the local college to compost all kitchen food waste; eco-station adoption by community groups; planting a community orchard; training community bee-keepers to care for bee hives in public spaces; and walking and cycling activities as part of Lancashire County Council's Healthy Streets programme.

During the year, £35,200 was received from funders, including £10,000 from the Esmee Fairbairn Foundation, and £25,000 from the Tudor Trust. The project finished at the end of October 2012.

###### **b. Social Enterprise Development Initiative**

During the year, our Social Enterprise programme continued to support the social enterprises already established, whilst also working with volunteer groups to develop new ones. The One Planet ethical shop, a co-operative established through a community share issue, celebrated its second anniversary of trading. Woody, a woodland enterprise set up as a Community Interest Company, carried out paid contract work for the local authority. Hyndburn Used Furniture Store continued to be supported and improved its income generation. Development work continued with volunteer groups seeking to establish a local Community Benefit Wind Turbine, and expanding the Hyndburn Bees enterprise.

Funding from the Big Lottery's Fairshare fund, administered by the Community Foundation for Lancashire, came to an end, having contributed £3,780 this year. Two grants of £10,000 from Comic Relief and £3,000 from D'Oyly Carte Charitable Trust contributed to activities. Expenditure on the project was £15,279, the post having been reduced to part-time.

## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **c. Access to Nature (Nature Walks in Hyndburn)**

Nature Walks in Hyndburn is an Access to Nature project which aims to give local people better opportunities to access nature within the Hyndburn borough. These opportunities range from expert-led nature walks, physical access improvements, production of walk leaflets and practical nature conservation volunteering including training. The annual Nature Walks Festival was held in August to celebrate and promote Hyndburn's walks and wildlife. The project began in January 2010 and has been developing over 3 years involving a wide variety of groups and attracting many new people to events, walks, and conservation volunteering.

There have been several exciting developments this year. Our project officer became a qualified practitioner for Forest Schools and carried out three pilot projects in local woodlands, engaging children and young people with wildlife and woodland environments, whilst encouraging holistic development of their social, physical, intellectual and emotional skills. Horticultural students from Accrington College have learned woodland maintenance skills through regular work at our Millennium Baby Woodland. Working with the Lancashire Wildlife Trust, a new accessible circular walking route has been established in Priestley Clough Biological Heritage Site, and the regular Monday Volunteer Group have carried out a variety of conservation tasks at Woodnook Vale and Peel Park, helping them to move towards Local Nature Reserve status.

The project is primarily funded by the Big Lottery's Access to Nature programme administered by Natural England. £44,645 income was received from Natural England during the year, and expenditure amounted to £48,254.

#### **d. 'People Pods' Local Food project and 'Cultivate' Community Food Growing Initiative**

These two projects make up our Community Food-Growing Initiative. Cultivate is a borough wide project funded by NHS East Lancashire and commenced in 2008. People Pods commenced in January 2012 funded primarily by the Big Lottery's Local Food programme through the Royal Society of Wildlife Trusts, and focuses on two of the most deprived areas of Accrington, around Meadoway and Woodnook allotments.

'Cultivate' promotes better health (physical, mental and social), particularly in areas of high health deprivation, through co-operative community food-growing, providing access to healthy food, encouraging more active lifestyles, and more social interaction. Growing opportunities vary from backyard or windowsill growing, to an allotment plot. Organic food-growing training and hands-on support has been given to a wide range of community groups, residents associations and schools, including many people with a physical disability, a mental health problem, or recovering from substance abuse.

People Pods focuses on the transformation of overgrown allotment plots on Meadoway and Woodnook allotments into vibrant community food-growing areas or 'pods'. New groups including local schools, the Stroke Association, homeless charity Maundy Relief, the Wellbeing Centre, and HARV (domestic violence recovery) have been supported to take up food-growing, and 'easy access' beds for people with mobility issues have been created on both sites. New allotment societies have been established, and the 'One Planet Planters' meet weekly to carry out food-growing tasks at various public sites.

Part of the Cultivate funding is match-funded to the Local Food funding. Between the two, expenditure for the year amounted to £77,550. During the year, grants were received from RSWT Local Food of £30,576, NHS East Lancashire of £46,979 and Hyndburn Homes of £5,000. Project partners Hyndburn Borough Council, Lancashire County Council, Groundwork Pennine Lancashire, and Bootstrap Enterprises, are also providing match funding.

#### **e. Prospects Plastics Ltd. (PPL)**

PPL did not trade during the year, and was dissolved as a company.



## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **f. Coach Road Meadows**

The land at Coach Road Meadow was previously purchased by The Foundation in order to develop an Environmental Business Park, for which outline planning permission has been obtained. During the year, we have carried out maintenance work on the site. A sub-committee of the Trustees has been meeting to review the future use of the site, and to decide whether a modified version of the original proposal would be more appropriate.

#### **g. Charity Development work**

Under-funding for core costs in recent years left us with a back-log of important development work to carry out. The securing of funding from the LankellyChase Foundation for three years has enabled us to start to redress this. Development work has started on: reviewing our governance structure to improve representation; updating policies; developing new tools to demonstrate our impact; and sorting our accommodation needs. We have also been setting up the Windfall Community Benefit Fund, a new source of grants for Sustainable Development projects in Hyndburn which we will administer on behalf of EnergieKontor.

£20,000 has been received from LankellyChase this year, and some of the Tudor Trust funding has been for Charity Manager time, linked to the Climate Change project.

#### **h. The PROSPECTS Panels**

The eight PROSPECTS Panels are separate entities and their finances do not therefore show in our accounts. They are an important part of the PROSPECTS movement, and deliver a range of volunteer projects in their neighbourhood that are important to local people. There is a relationship of mutuality between the Foundation and the Panels. The Foundation provides centralised services to support the work of the Panels, and the Panels frequently provide volunteer skilled labour to work on projects other than their own. Panels select a representative to serve on the Foundation's management committee.

#### **Volunteer contributions to the PROSPECTS Foundation**

The recorded time contributed by volunteers in all our activities during the year from November 2011 to October 2012 amounted to 13,513 hours, and has been valued at £ 101,348. This figure is calculated on the basis that each volunteer hour amounts to a cash equivalent of £7.50. 1,990 local people gave their time as Volunteers. We are aware that much volunteer time does not get recorded, and this is therefore an underestimate. Volunteer time includes attendance at practical work events, training events, promotional events, project development meetings, project delivery activities; 'best-practice' visits to other projects, attendance at PROSPECTS Foundation, PROSPECTS Panel and other meetings.

The trustees are extremely grateful for this contribution and recognise that this support is vital in enabling the foundation to achieve its objectives. It is this enormous volunteer effort which ensures that the work achieved by PROSPECTS is far, far greater than that represented by the formal accounts. It is the backbone of everything we do.

The community groups we support and work with are also essential to our work. During the year, we worked with about 60 different community groups and schools, supporting them in developing and delivering their projects.

### **FINANCIAL REVIEW**

#### **Charity**

The attached statements show the current state of the finances.

Total incoming resources were £217,374, similar to £218,974 in the previous year. The total resources expended increased slightly to £199,132 compared to £195,781 in the previous year. The net incoming resources for the year were £18,242.

## **The PROSPECTS Foundation**

### **Trustees' Report**

Restricted income for specific activities totalled £209,114, and total restricted expenditure was £198,995. The overall balance on restricted funds was £82,816 at 31st October 2012. The size of the balance is due to grant paid in advance of expenditure being incurred. The balance will be carried forward and spent on specific schemes.

#### **Investments**

With the closure of Prospects Plastics Ltd, the Charity's £50 investment has been written off. The Foundation has an investment in the One Planet Shop Ltd of less than 1 %. Further details are included in the notes to the financial statements.

#### **Reserves**

The policy of the Foundation is to keep its financial reserves at 10% of turnover with a target of £30,000 to ensure the day to day running of the organisation. During the year the unrestricted reserves increased from £63,776 to £66,899. This includes £15,025 tied up in fixed assets; hence, the free reserves amount to £51,874.

#### **PLANS FOR FUTURE PERIODS**

Our key areas of work for 2012/13 onwards are mainly the further development of existing projects, plus the exciting new development of the Windfall Fund.

##### **1. Nature Walks in Hyndburn: Access to Nature**

Our Access to Nature project will currently run until the end of June 2013, continuing to support local people living in areas of high socio-economic and environmental deprivation to improve their health and well-being by engaging with nature and wildlife locally, through Nature Walks, training, our annual Nature Walks Festival, and practical outdoor conservation activities. The main funding comes from the Big Lottery's Access to Nature programme, managed by Natural England. We will be seeking funding to continue this line of work, and to include new elements such as the Forest Schools development.

##### **2. Community Food Growing (People Pods and Cultivate)**

With the transfer of commissioning for the Cultivate project from NHS East Lancashire to Lancashire County Council, funding has been secured for a further year, whilst a review is carried out to assess the future of the funding. The RSWT Local Food funding for People Pods has been secured until the end of February 2014. We will continue to develop community food-growing opportunities for local people, focusing on the areas of greatest need, and working closely with our partners.

##### **3. Social Enterprise Development and Charity Development**

We will continue to support and develop the social enterprises we are currently working with. This will now be carried out as part of the core function of the Charity Development Manager post, alongside other essential development work. Funding from LankellyChase has been secured for a further two years and from Lancashire County Council's Central Gateway Fund until the end of June 2014.

##### **4. Windfall Community Benefit Fund**

Energiekontor UK Ltd. has created the Windfall Fund for the 25-year life of their new wind farm in Hyndburn. The Prospects Foundation will receive £105,000 per year (index-linked from February 2010) to employ a Community Projects Officer and provide a capital fund to support volunteer groups in Hyndburn in developing projects in line with our six Sustainability themes (see below). The Trustees are currently setting up the Fund, and the project officer commenced work in January 2013. The Fund will be formally launched in April 2013.

## The PROSPECTS Foundation

### Trustees' Report

#### Our Six Themes of Sustainability:

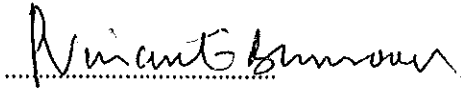
These are set by the Management Committee and provide the framework within which the Charity develops its project work:

Biodiversity	- protecting and enhancing local wildlife and plant life;
Energy	- home and community energy efficiency and development of renewables;
Sustainable transport	- encouraging more use of public transport, bicycles and walking;
Waste and recycling	- identifying more ways of reducing, reusing and recycling our waste;
Food	- finding ways of making more local, organic, healthy food, grown by the community for the community.
Awareness Raising	- of the above and of environmental issues in general.

#### Small company provisions

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

Approved by the Board on 13 February 2013 and signed on its behalf by:



Mr P Vincent-Barwood  
Trustee

## **The PROSPECTS Foundation**

### **Trustees' Responsibilities in relation to the Financial Statements**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Examiner's Report to the Trustees of The PROSPECTS Foundation**

I report on the accounts of the company for the year ended 31 October 2012, which are set out on pages 12 to 22.

### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



.....  
M R Heaton FCCA FCIE  
Independent Examiner

4 March 2013

4 - 6 Grimshaw Street  
Burnley  
BB11 2AZ

**The PROSPECTS Foundation**

**Statement of Financial Activities (including Income and Expenditure Account) for the  
Year Ended 31 October 2012**

		Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	Note	£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	60	209,103	209,163	208,005
Investment income	4	808	11	819	540
Other incoming resources	5	7,392	-	7,392	10,429
Total incoming resources		<u>8,260</u>	<u>209,114</u>	<u>217,374</u>	<u>218,974</u>
<b>Resources expended</b>					
Charitable activities	6	87	196,835	196,922	185,616
Governance costs		-	2,160	2,160	3,332
Other resources expended	7	50	-	50	6,833
Total resources expended		<u>137</u>	<u>198,995</u>	<u>199,132</u>	<u>195,781</u>
Net income before transfers		8,123	10,119	18,242	23,193
<b>Transfers</b>					
Gross transfers between funds		<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net movements in funds		3,123	15,119	18,242	23,193
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>63,776</u>	<u>67,697</u>	<u>131,473</u>	<u>108,280</u>
Total funds carried forward		<u>66,899</u>	<u>82,816</u>	<u>149,715</u>	<u>131,473</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

**The PROSPECTS Foundation (Registration number: 03686719)**

**Balance Sheet as at 31 October 2012**

		2012		2011	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		15,000		15,000
Investments			25		75
			<u>15,025</u>		<u>15,075</u>
<b>Current assets</b>					
Debtors	14	3,250		-	
Cash at bank and in hand		<u>160,653</u>		<u>143,498</u>	
		163,903		143,498	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(29,213)</u>		<u>(27,100)</u>	
<b>Net current assets</b>			<u>134,690</u>		<u>116,398</u>
<b>Net assets</b>			<u>149,715</u>		<u>131,473</u>
<b>The funds of the charity:</b>					
<b>Restricted funds in surplus</b>			82,816		67,697
<b>Unrestricted funds</b>					
Unrestricted income funds			<u>66,899</u>		<u>63,776</u>
<b>Total charity funds</b>			<u>149,715</u>		<u>131,473</u>

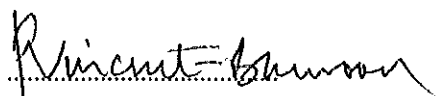
For the financial year ended 31 October 2012, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476.

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 13 February 2013 and signed on its behalf by:



Mr P Vincent-Barwood  
Trustee

The notes on pages 14 to 22 form an integral part of these financial statements.

## **The PROSPECTS Foundation**

### **Notes to the Financial Statements for the Year Ended 31 October 2012**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008 ) and the Companies Act 2006.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 19.

##### **Incoming resources**

Voluntary income including donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

##### **Resources expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

##### **Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

##### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.



## **The PROSPECTS Foundation**

### **Notes to the Financial Statements for the Year Ended 31 October 2012**

..... *continued*

#### **Fixed assets**

Individual fixed assets costing £1000 or more are initially recorded at cost.

#### **Depreciation**

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

Freehold land	Nil
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#### **Investments**

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

#### **Operating leases**

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2012**

..... continued

### **2 Voluntary income**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
<b>Grants</b>				
Other voluntary income	60	3,423	3,483	7,349
Grants receivable	-	126,679	126,679	123,356
Big Lottery Fund	-	79,001	79,001	77,300
	<u>60</u>	<u>209,103</u>	<u>209,163</u>	<u>208,005</u>

### **3 Grants receivable**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Tudor Trust	-	25,000	25,000	27,000
Esmee Fairburn Foundation	-	10,000	10,000	10,000
Aspire Foundation	-	-	-	3,585
Lancashire Wildlife Trust	-	-	-	3,369
D'Oyly Carte Charitable Trust	-	3,000	3,000	-
Comic Relief	-	10,000	10,000	-
Hyndburn Homes	-	5,000	5,000	-
Local Authority	-	200	200	23,697
Lancashire Environmental Fund	-	-	-	1,796
East Lancashire PCT	-	53,479	53,479	53,909
Lankelly Chase Foundation	-	20,000	20,000	-
Big Lottery Fund - Fairshare	-	3,780	3,780	28,298
Big Lottery - Natural England	-	44,645	44,645	49,002
Big Lottery Fund - Royal Society of Wildlife Trusts	-	30,576	30,576	-
	<u>-</u>	<u>205,680</u>	<u>205,680</u>	<u>200,656</u>

### **4 Investment income**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank interest received	<u>808</u>	<u>11</u>	<u>819</u>	<u>540</u>

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2012**

..... continued

### **5 Other incoming resources**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Other income resources				
Fees & charges	7,392	-	7,392	10,429

### **6 Details of charitable activities**

	Activities undertaken directly £	Support costs allocated £	2012 £	2011 £
Community Project	50	-	50	13,026
Recycling Project	-	-	-	816
Other Projects	12,507	-	12,507	11,004
General Costs	87	-	87	133
Cultivate Food Growing Programme	28,238	-	28,238	45,876
Social Enterprise Development Initiative	15,264	-	15,264	29,732
Climate Change Programme	25,302	19,513	44,815	36,215
Access to Nature	47,714	-	47,714	48,814
Local food growing programme	48,247	-	48,247	-
	<u>177,409</u>	<u>19,513</u>	<u>196,922</u>	<u>185,616</u>

### **7 Other resources expended**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Exceptional administrative expenses	50	-	50	6,833

The exceptional administrative expenses arose as follows:

2012 Write off of the investment in Prospects Plastics Ltd, struck off in the financial year.

2011 Write off of investment of £2 in Prosperity Recycling Ltd, and the loan of £6,831 to that company, placed into liquidation in that financial year.

### **8 Trustees' remuneration and expenses**

No trustees received any remuneration or expenses during the year.

**The PROSPECTS Foundation**  
**Notes to the Financial Statements for the Year Ended 31 October 2012**

..... continued

**9 Net income**

Net income is stated after charging:

	2012	2011
	£	£
Auditors' remuneration - audit services	-	1,232
Operating lease costs	250	250
Accountancy fees	2,160	2,100
	<u>2,160</u>	<u>2,100</u>

**10 Employees' remuneration**

The average number of persons employed by the charity (excluding trustees) during the year was as follows:

	2012 No.	2011 No.
Charitable activities	<u>5</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	2012 £	2011 £
Wages and salaries	111,492	94,025
Social security	9,896	8,001
	<u>121,388</u>	<u>102,026</u>

**11 Taxation**

The company is a registered charity and is, therefore, exempt from taxation.

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2012**

..... *continued*

### **12.. Tangible fixed assets**

	Freehold land £
<b>Cost</b>	
As at 1 November 2011 and 31 October 2012	<u>15,000</u>
<b>Net book value</b>	
As at 31 October 2012	<u>15,000</u>
As at 31 October 2011	<u>15,000</u>

### **13 Investments held as fixed assets**

	Investments in group and associated undertakings £	Other investments £	Total £
<b>Cost</b>			
As at 1 November 2011	50	25	75
Disposals	<u>(50)</u>	<u>-</u>	<u>(50)</u>
As at 31 October 2012	<u>-</u>	<u>25</u>	<u>25</u>
<b>Net book value</b>			
As at 31 October 2012	<u>-</u>	<u>25</u>	<u>25</u>
As at 31 October 2011	<u>50</u>	<u>25</u>	<u>75</u>

All investment assets were held in the UK.

### **14 Debtors**

	2012 £	2011 £
Trade debtors	<u>3,250</u>	<u>-</u>

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2012**

..... *continued*

### **15 Creditors: Amounts falling due within one year**

	2012 £	2011 £
Accruals and deferred income	<u>29,213</u>	<u>27,100</u>

Creditors amounts falling due within one year includes deferred income:

	2012 £	2011 £
As at 1 November 2011	25,000	-
Amount deferred in the year	<u>-</u>	<u>25,000</u>
As at 31 October 2012	<u>25,000</u>	<u>25,000</u>

### **16 Members' liability**

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

### **17 Operating lease commitments**

As at 31 October 2012 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>Land and Buildings</b>	
	2012 £	2011 £
Over five years	<u>250</u>	<u>250</u>

## The PROSPECTS Foundation

### Notes to the Financial Statements for the Year Ended 31 October 2012

..... continued

#### 18 Related parties

##### Controlling entity

The charity is controlled by the trustees who are all directors of the company.

#### 19 Analysis of funds

	At 1 November 2011	Incoming resources	Resources expended	Transfers	At 31 October 2012
	£	£	£	£	£
<b>General Funds</b>					
Unrestricted funds	63,776	8,260	(137)	(5,000)	66,899
<b>Restricted Funds</b>					
Community projects	3,488	-	(50)	(830)	2,608
Green Business Park	771	-	(342)	-	429
Social enterprise development initiative	4,378	16,780	(15,279)	-	5,879
Cultivate food growing project	22,903	46,979	(28,763)	(29,928)	11,191
Climate change programme	770	55,200	(45,355)	5,000	15,615
Other projects	12,633	6,500	(12,165)	-	6,968
Access to Nature	22,754	48,079	(48,254)	830	23,409
Local food growing programme	-	35,576	(48,787)	29,928	16,717
	<u>67,697</u>	<u>209,114</u>	<u>(198,995)</u>	<u>5,000</u>	<u>82,816</u>
	<u>131,473</u>	<u>217,374</u>	<u>(199,132)</u>	<u>-</u>	<u>149,715</u>

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2012**

..... *continued*

### **20.. Net assets by fund**

	Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£	£
Tangible assets	15,000	-	15,000	15,000
Investments	25	-	25	75
Current assets	80,001	83,902	163,903	143,498
Creditors: Amounts falling due within one year	(28,127)	(1,086)	(29,213)	(27,100)
Net assets	<u>66,899</u>	<u>82,816</u>	<u>149,715</u>	<u>131,473</u>