

Company registration number: 03686719
Charity registration number: 1076541

The PROSPECTS Foundation

Annual Report and Financial Statements

for the Year Ended 31 October 2014

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

The PROSPECTS Foundation
Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 9
Trustees' responsibilities in relation to the financial statements	10
Independent examiner's report	11
Statement of financial activities	12
Balance Sheet	13
Notes to the financial statements	14 to 22

The PROSPECTS Foundation
Reference and Administrative Details

Charity name	The PROSPECTS Foundation
Charity registration number	1076541
Company registration number	03686719
Principal office	54 Broadway Accrington Lancashire BB5 1EW
Registered office	54 Broadway Accrington Lancashire BB5 1EW
Trustees	Mr P Vincent-Barwood, Chairperson 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 Mrs M Worden Mr P Worswick Mr N Mooney
Secretary	Mrs M Worden

The PROSPECTS Foundation
Reference and Administrative Details

Solicitor	Forbes Solicitors Rutherford House 4 Wellington Street (St Johns) Blackburn BB1 8DD
------------------	---

Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
----------------	--

Investment Advisor	Wrigleys Solicitors 19 Cookridge Street Leeds West Yorks LS2 3AG
---------------------------	--

Independent Examiner	M R Heaton FCCA FCIE 4 - 6 Grimshaw Street Burnley Lancashire BB11 2AZ
-----------------------------	--

The PROSPECTS Foundation

Trustees' Report

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment and election of Trustees

The Committee shall consist of:

- a) one representative from each of the Approved Prospects Panels, an Approved Prospects Panel being a Prospects Panel that has been approved by the Management Committee and not removed by the Management Committee;
- b) one representative of Hyndburn Borough Council;
- c) one representative of Lancashire County Council;
- d) up to six members of the Prospects Foundation, elected at the AGM; and
- e) up to six co-options appointed by the Management Committee in accordance with Clause 42.

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

The PROSPECTS Panels

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

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:

- Employers Liability £10 million
- Public Liability £5 million
- Products Liability £5 million
- Directors and Officers £1 million
- Personal Accident for Volunteers
- Property Damage
- Contents Cover
- Legal Expenses £250,000

The PROSPECTS Foundation

Trustees' Report

OBJECTIVES AND ACTIVITIES

OUR CHARITY'S OBJECTS

Public Benefit

During the financial year the trustees undertook a review of the objects of the charity. The existing objects were selected in 1998 and a recent update of 'Charitable Purposes' by the Charity Commission meant that there was an opportunity to update our objects to better reflect our community development work. After the review process a list of proposed 'Charitable Purposes' was approved by the Management Committee in March and were ratified at the Annual General Meeting in June. The new Charitable Purposes (listed below) were amended by Companies House in July and August 2014.

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 such manner as may be charitable and in particular but not so as to limit the foregoing;

A) The Advancement of Environmental Protection or Improvement, including:

- 1) the conservation of flora, fauna and the natural environment in Hyndburn generally;
- 2) the education of the public around local and global sustainable development and biodiversity;
- 3) the promotion of recycling and sustainable waste management.

B) The Advancement of Citizenship and Community Development, including:

- 1) the promotion of volunteering to improve the skills, qualities and life prospects for residents of Hyndburn;
- 2) the promotion of community capacity building in pursuance of environmental and sustainable development purposes;
- 3) the promotion of urban and rural regeneration in Hyndburn, in relation to sustainable development for current and future generations.

OUR CHARITY'S ACTIVITIES BETWEEN NOVEMBER 2013 AND OCTOBER 2014

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

a. Access to Nature (Nature Walks in Hyndburn)

After four highly successful years our 'Access to Nature' programme finally came to an end in April 2014. This was due to the Big Lottery funded programme coming to an end nationally. Our programme was called 'Nature Walks in Hyndburn' and was focussed on providing people with opportunities to access nature on their doorstep. The range of activities that took place included expert-led nature walks, physical access improvements, production of walk leaflets and practical nature conservation volunteering including training. In addition, the programme organised an annual 'Nature Walks Festival' each Autumn.

The project was primarily funded by the Big Lottery's Access to Nature programme which was administered by Natural England. During the period, £35,893 income was received and expenditure amounted to £25,572.

b. 'Cultivate' Community Food Growing Initiative and 'People Pods' Local Food project

These two programmes made up our Community Food-Growing Initiative during the period. Cultivate is ongoing but People Pods finished in Spring 2014.

The PROSPECTS Foundation

Trustees' Report

Cultivate is a borough wide project that started in 2008 and is now funded by Lancashire County Council's Public Health Services Department. '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.

During the period income received towards the programme amounted to £49,009 with expenditure totalling £56,941. The majority of the income received was from Lancashire County Council (£37,759) with the balance of £11,250 being made up of contributions from partner organisations towards projects on their own sites. These organisations included Symphony Housing (Hyndburn Homes), Accrington Academy, Norden High School and Broadfield Friends Association.

'People Pods' commenced in January 2012 and was funded entirely by the Big Lottery's Local Food programme which was administered by the Royal Society of Wildlife Trusts. The programme focused on two of the most deprived areas of Accrington, around Meadoway and Woodnook allotments. The People Pods programme came to an end in Spring 2014. People Pods focused on the transformation of overgrown allotment plots on Meadoway and Woodnook allotments into vibrant community food-growing areas or 'pods'. Local schools, the Stroke Association, the Wellbeing Centre, HARV (domestic violence recovery) and Inward House are just a few examples of the groups and organisations that were supported to take up food-growing, and 'easy access' beds for people with mobility issues were created on appropriate sites. New allotment societies were established, and the 'One Planet Planters' were set up to carry out weekly food-growing tasks at various public sites.

The People Pods programme was entirely funded during the period (£46,881) by the Big Lottery Fund's Local Food programme, which was administered by the Royal Society of Wildlife Trusts. The expenditure during the period totalled £51,551.

c. Environmental Awareness

A new activity that started in late 2013 was our new 'Activity Organiser' position based around organising events, training and awareness raising sessions from our new Prospects Environment Centre premises at 54 Broadway in Accrington. The charity decided to move into the Broadway premises as a proactive way of engaging with the local community. As Broadway is one of the busiest shopping streets in the town centre it means that the high footfall past our Environment Centre is a way of raising our profile locally as well as also being highly accessible.

In order to capitalise on this opportunity funding was secured from Windfall and Awards for All and our Environmental Awareness Officer started in mid-October 2013. Since then events, training and workshops have been held at the Centre covering our six themes of sustainability.

During the year income for the programme was received from the Windfall Fund (£2,745) and the East Lancashire Clinical Commissioning Group (£3,984). The amounts received in this financial period were in addition to the £10,980 from Windfall and £8,685 from Awards for All received late (October 2013) in the previous financial period. Expenditure totalled £17,606.

d. Windfall Community Benefit Fund

EnergieKontor UK Ltd. has created the Windfall Fund for the 25-year life of their new windfarm on Oswaldtwistle Moor 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.

The PROSPECTS Foundation

Trustees' Report

During the year there were four funding rounds and in total 19 grants were awarded totalling £88,035 of which £46,949 was paid during the year. A further £25,875 was paid during the year for grants awarded in 2012/13 and two small grants totalling £182 were awarded and paid from the Fund's micro grant pot. This amounts to £73,006 in total.

Included in the total amount awarded (£88,035) during the period, there was a grant allocation of £15,682 made to The PROSPECTS Foundation towards the Nature Conservation programme.

During Summer 2014 there were also four organised school visits to the windfarm. The schools were St. Mary's RC Primary (Oswaldtwistle), Huncoat Primary School and two trips by Broadfield Specialist School (Oswaldtwistle).

e. Nature Conservation in Hyndburn

In May 2014, following the end of the successful Access to Nature programme, we started a new one-year programme (funded by Windfall) called Nature Conservation in Hyndburn. The new programme continues the excellent work of the Monday Conservation Group which concentrates on two proposed Local Nature Reserve sites in Accrington. In addition, a new group called the 'Green Team' has been set up that has a wider remit to work anywhere across the borough. Finally, the post also provides practical support for our PROSPECTS Panels on existing or new sites.

During the period the programme income received totalled £28,053 and expenditure amounted to £12,296. The income included a Windfall allocation of £15,682.

f. Social Enterprise Development Initiative

During the year our support for social enterprises was funded through the Lancashire County Council Central Gateway Grant that also supports our Charity Manager post. The funding for social enterprise support amounted to 1.5 days a week. The support for social enterprise primarily consisted of support for the One Planet shop, Woody (Hyndburn) C.I.C., Hyndburn Used Furniture Store and continued development of other enterprise ideas.

g. Coach Road Meadows

The land at Coach Road Meadow was previously purchased by The Foundation in March 2005 in order to develop an Environmental Business Park, for which outline planning permission has been obtained. The main activity during the year was the resubmission of the planning application which was successful. The charity is actively seeking further funds to develop the site as per the planning permission proposal. One of these was a bid to the Big Lottery's Reaching Communities Fund but unfortunately this was unsuccessful.

h. Tinker Brook Tree Nursery

The Tinker Brook site has been leased by the charity from Hyndburn Borough Council since November 1998. The site is now used by the charity in conjunction with partners, now Bootstrap Enterprises, to facilitate horticultural training and day care services for people with learning difficulties. The partnership with Bootstrap commenced in October 2013 following the decision by Lancashire Care (who ran it previously) to withdraw from the site in the summer of 2013. This means that this valuable service continues at Tinker Brook as well as food and growing sessions run by the food growing staff at the charity.

i. Charity Development work

During the year we have carried out fundraising bids to support the work of the Environmental Awareness project, additional funding for the Local Food programme, continuation of the Cultivate programme (Lancashire County Council Public Health commissioning) and further grant funding for the Charity Manager posts.

The PROSPECTS Foundation

Trustees' Report

A new Business Plan has been put together for the period November 2014 to October 2016 which sets out our aims, objectives, activities and outcomes for that period. A 'Common Purpose' exercise has also been carried out with staff and management committee which has been useful in setting out our plans and ambitions for the next few years.

We have also worked to update the Staff Handbook to reflect current legislation and to make the document more fit for purpose.

During the year the Charity Manager post was funded by grants from the Lankelly Chase Foundation and Lancashire County Council's Central Gateway Fund and management fees.

j. 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.

k. Volunteer contributions to the PROSPECTS Foundation

The recorded time contributed by volunteers in all our activities during the year from November 2013 to October 2014 amounted to 7,264 hours, and has been valued at £54,480. This figure is calculated on the basis that each volunteer hour amounts to a cash equivalent of £7.50. 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 the contribution that our volunteers make in terms of giving their own valuable time, support, advice and help and we fully 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.

FINANCIAL REVIEW

Charity

The attached statements show the current state of the finances.

Total incoming resources reduced from £334,419 to £322,233 in the previous year. The total resources expended increased to £342,502 from £306,637 in the previous year. The net incoming resources for the year were a negative figure of £20,269.

Restricted income for specific activities totalled £311,202, and total restricted expenditure was £340,995. The overall balance on restricted funds was £76,193 at the 31st October 2014. 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

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.

The PROSPECTS Foundation

Trustees' Report

Reserves

The policy of the Foundation is to keep its financial reserves at 10% of turnover with a target of £30,000 as a minimum to ensure the day to day running of the organisation. During the year the unrestricted reserves increased from £76,511 to £81,035. This includes £15,025 tied up in fixed assets. Hence, the free reserves amount to £66,010. The trustees are of the opinion that to maintain unrestricted reserves at this level appears to be a prudent course of action, especially during the continuing times of austerity and pressures on sources of external funding.

PLANS FOR FUTURE PERIODS

During the year a new Business Plan was produced to cover the period November 2014 to October 2016. The key tasks identified for the following financial year were as follows:

Strategic

- Agree a 'Common Purpose' and medium-term plan
- Review our Mission Statement
- Review and set Aims and Objectives annually (ensuring 'Community' features as much as 'Environment')
- Ensure wide consultation with the broader local community to help influence projects and activities
- Write a short one-page Strategy statement for members of the public which is easy to understand
- Keep under review the content of the Management Committee in terms of community representation and relevant skills

Projects & Programmes

- Review existing projects and amend / enhance / improve as necessary
- Secure funding for project activities
- Generate new project ideas according to Common Purpose discussions and new medium-term plan
- Develop a new action plan for delivery of the Windfall Community Fund

Charity Management

- Update the Staff Handbook
- Write a marketing plan
- Ensure regular monitoring and evaluation
- Increase PROSPECTS Foundation membership
- Improve facilities at our Environment Centre and find a more suitable tool store
- Review the suitability of our current premises for the needs of the charity's activities

Our Six Themes of Sustainability:

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

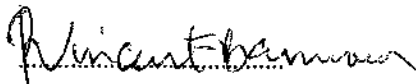
- | | |
|-------------------------------|--|
| Biodiversity: | -protecting and enhancing local wildlife and plant life; |
| Energy: | -home and community energy efficiency and development of renewables; |
| Sustainable transport: | -encouraging more use of public transport, bicycles and walking; |
| 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 |

The PROSPECTS Foundation
Trustees' Report

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 1 April 2015 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'P Vincent-Barwood', written over a dotted line.

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 2014, 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.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Charity Independent Examiners.

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 Charities

have 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

1 April 2015

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 2014

		Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	2,023	298,310	300,333	312,511
Investment income	4	1,126	502	1,628	1,563
Other incoming resources	5	7,882	12,390	20,272	20,345
Total incoming resources		<u>11,031</u>	<u>311,202</u>	<u>322,233</u>	<u>334,419</u>
Resources expended					
Charitable activities	6	1,404	339,322	340,726	305,017
Governance costs	8	103	1,673	1,776	1,620
Total resources expended		<u>1,507</u>	<u>340,995</u>	<u>342,502</u>	<u>306,637</u>
Net (expenditure)/income before transfers		9,524	(29,793)	(20,269)	27,782
Transfers					
Gross transfers between funds		<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net movements in funds		4,524	(24,793)	(20,269)	27,782
Reconciliation of funds					
Total funds brought forward		<u>76,511</u>	<u>100,986</u>	<u>177,497</u>	<u>149,715</u>
Total funds carried forward		<u>81,035</u>	<u>76,193</u>	<u>157,228</u>	<u>177,497</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 2014

		2014		2013	
	Note	£	£	£	£
Fixed assets					
Tangible assets	13		15,000		15,000
Investments	14		25		25
			<u>15,025</u>		<u>15,025</u>
Current assets					
Cash at bank and in hand		145,439		164,332	
Creditors: Amounts falling due within one year	15	<u>(3,236)</u>		<u>(1,860)</u>	
Net current assets			<u>142,203</u>		<u>162,472</u>
Net assets			<u>157,228</u>		<u>177,497</u>
The funds of the charity:					
Restricted funds			76,193		100,986
Unrestricted funds					
Unrestricted income funds			<u>81,035</u>		<u>76,511</u>
Total charity funds			<u>157,228</u>		<u>177,497</u>

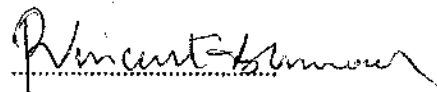
For the financial year ended 31 October 2014, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 1 April 2015 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 2014

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.

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

The PROSPECTS Foundation

Notes to the Financial Statements for the Year Ended 31 October 2014

..... continued

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.

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
---------------	-----

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.

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Grants				
Other voluntary income	2,023	12,250	14,273	9,890
Grants receivable	-	203,286	203,286	222,880
Big Lottery Fund	-	82,774	82,774	79,741
	<u>2,023</u>	<u>298,310</u>	<u>300,333</u>	<u>312,511</u>

The PROSPECTS Foundation

Notes to the Financial Statements for the Year Ended 31 October 2014

..... continued

3 Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Lankelly Chase Foundation	-	-	-	30,000
Energiekontor	-	121,879	121,879	116,975
Local Authority Grants	-	71,423	71,423	64,222
East Lancashire Primary Care Trust	-	-	-	11,683
Bootstrap Enterprises	-	6,000	6,000	-
Hyndburn & Ribble Valley CVS	-	3,984	3,984	-
Big Lottery Fund - Awards for All	-	-	-	8,685
Big Lottery Fund - Natural England	-	35,893	35,893	11,403
Big Lottery Fund - Royal Society of Wildlife Trusts	-	46,881	46,881	59,653
	<u>-</u>	<u>286,060</u>	<u>286,060</u>	<u>302,621</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Bank interest received	<u>1,126</u>	<u>502</u>	<u>1,628</u>	<u>1,563</u>

5 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Other income				
Fees & charges	<u>7,882</u>	<u>12,390</u>	<u>20,272</u>	<u>20,345</u>

The PROSPECTS Foundation

Notes to the Financial Statements for the Year Ended 31 October 2014

..... continued

6 Details of charitable activities

	Activities undertaken directly £	Grant funding of activities £	Support costs allocated £	2014 £	2013 £
Community Project	-	-	-	-	106
Other Projects	4,201	-	-	4,201	3,855
Cultivate Food Growing Programme	56,586	-	-	56,586	54,345
Access to Nature	25,584	-	-	25,584	44,757
Others	1,404	-	-	1,404	105
Local food growing programme	51,367	-	-	51,367	62,576
Green Business Park	-	-	-	-	1,036
Environmental Awareness	17,464	-	-	17,464	254
Windfall	44,647	-	-	44,647	40,276
Charity Manager	18,661	-	35,804	54,465	51,323
Nature Conservation	12,002	-	-	12,002	-
Various	-	25,980	-	25,980	28,884
Recycling	-	18,875	-	18,875	12,500
Environmental Awareness	-	28,151	-	28,151	5,000
	<u>231,916</u>	<u>73,006</u>	<u>35,804</u>	<u>340,726</u>	<u>305,017</u>

7 Grantmaking

Activity	Name of Institution	Grants to institutions £
Various	General grants (under £5,000)	25,980
Recycling	Hyndburn Used Furniture Store	12,500
	Hyndburn Homewise Society	6,375
Environmental Awareness	One Planet (Accrington) Ltd	5,000
	Friends of St. Christopher's	6,651
	Friends of Jackhouse Nature Reserve	9,000
	Baxenden Community Forum	7,500
		<u>73,006</u>

The PROSPECTS Foundation
Notes to the Financial Statements for the Year Ended 31 October 2014

..... *continued*

8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Accountancy fees	103	1,673	1,776	1,620

9 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year.

10 Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2014 £	2013 £
Operating lease costs	-	250
Accountancy fees	1,776	1,620

11 Employees' remuneration

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

	2014 No.	2013 No.
Charitable activities	6	6

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	134,399	134,295
Social security	10,366	12,259
	144,765	146,554

12 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 2014

..... *continued*

13 Tangible fixed assets

	Freehold land £
Cost	
As at 1 November 2013 and 31 October 2014	<u>15,000</u>
Net book value	
As at 31 October 2014	<u>15,000</u>
As at 31 October 2013	<u>15,000</u>

14 Investments held as fixed assets

	Other investments £
Market value	
As at 1 November 2013 and 31 October 2014	<u>25</u>
Net book value	
As at 31 October 2014	<u>25</u>
As at 31 October 2013	<u>25</u>
All investment assets were held in the UK.	

15 Creditors: Amounts falling due within one year

	2014 £	2013 £
Accruals and deferred income	<u>3,236</u>	<u>1,860</u>
Creditors amounts falling due within one year includes deferred income:		
	2014 £	2013 £
As at 1 November 2013	-	25,000
Amount released to incoming resources	<u>-</u>	<u>(25,000)</u>
As at 31 October 2014	<u>-</u>	<u>-</u>

The PROSPECTS Foundation

Notes to the Financial Statements for the Year Ended 31 October 2014

..... *continued*

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 2014 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings	
	2014	2013
	£	£
Within two and five years	8,000	8,000
Over five years	1,650	250
	<u>9,650</u>	<u>8,250</u>

The PROSPECTS Foundation

Notes to the Financial Statements for the Year Ended 31 October 2014

..... 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 2013	Incoming resources	Resources expended	Transfers	At 31 October 2014
	£	£	£	£	£
General Funds					
Unrestricted funds	76,511	11,031	(1,507)	(5,000)	81,035
Restricted Funds					
Community Projects	2,502	-	-	-	2,502
Cultivate Food Growing Project	7,955	49,009	(56,941)	-	23
Other Projects	8,506	6,250	(4,201)	-	10,555
Access to Nature Local Food Growing Programme	(3,951)	35,894	(25,572)	(6,371)	-
Environmental Awareness	13,470	46,881	(51,551)	-	8,800
Windfall	19,411	3,984	(17,606)	2,745	8,534
Charity Manager	19,514	122,380	(118,008)	(18,427)	5,459
Nature Conservation	33,579	45,804	(54,820)	-	24,563
	-	1,000	(12,296)	27,053	15,757
	<u>100,986</u>	<u>311,202</u>	<u>(340,995)</u>	<u>5,000</u>	<u>76,193</u>
	<u>177,497</u>	<u>322,233</u>	<u>(342,502)</u>	<u>-</u>	<u>157,228</u>

Restricted funds are detailed in the Trustees Report.

Transfers between funds are made in agreement with funders or as part of the terms of funding agreement.

The PROSPECTS Foundation

Notes to the Financial Statements for the Year Ended 31 October 2014

..... *continued*

20 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£	£
Tangible assets	15,000	-	15,000	15,000
Investments	25	-	25	25
Current assets	69,246	76,193	145,439	164,332
Creditors: Amounts falling due within one year	(3,236)	-	(3,236)	(1,860)
Net assets	<u>81,035</u>	<u>76,193</u>	<u>157,228</u>	<u>177,497</u>