

Company registration number: 03686719  
Charity registration number: 1076541

# **The PROSPECTS Foundation**

**Annual Report and Financial Statements**  
**for the Year Ended 31 October 2015**

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

# **The PROSPECTS Foundation**

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

<b>Charity name</b>	The PROSPECTS Foundation	
<b>Charity registration number</b>	1076541	
<b>Company registration number</b>	03686719	
<b>Principal office</b>	54 Broadway Accrington Lancashire BB5 1EW	
<b>Registered office</b>	54 Broadway Accrington Lancashire BB5 1EW	
<b>Trustees</b>	Mr P Vincent-Barwood, Chairperson Mr C Cooper Mr N Cort, Treasurer Mr P Gott Mr S Hemingway Ms C Holmes Mr W Matthews Cllr M Parkinson Mrs M Worden Mr P Worswick Mr N Mooney Cllr W Dwyer (appointed 17 September 2015) Cllr H Grayson (resigned 17 September 2015)	
<b>Secretary</b>	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 DChA  
4 - 6 Grimshaw Street  
Burnley  
Lancashire  
BB11 2AZ

## **The PROSPECTS Foundation**

### **Trustees' Report**

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

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

According to the current Articles of Association (revised July 2010), the Committee shall consist of:

- a) the Chair of the PROSPECTS Forum
  - b) eight representatives of the Panels
  - c) 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.
- up to six co-options appointed by the Management Committee in accordance with Clause 42.

However we are in the process of seeking approval from the Charity Commission to make changes (approved by the Management Committee) to the Committee structure as follows:

*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*
- (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.

## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **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 £10,000
- Property Damage
- Contents Cover
- Legal Expenses, £250,000

#### **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 current Memorandum of Association (last revised 28th September 2011), 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:

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

However we are in the process of seeking approval from the Charity Commission to make the following changes to our objects (approved by the management committee):

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

## **The PROSPECTS Foundation**

### **Trustees' Report**

*a1) the conservation of flora, fauna and the natural environment in Hyndburn generally;*

*a2) the education of the public around local and global sustainable development and biodiversity;*

*a3) the promotion of recycling and sustainable waste management.*

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

*b1) the promotion of volunteering to improve the skills, qualities and life prospects for residents of Hyndburn;*

*b2) the promotion of community capacity building in pursuance of environmental and sustainable development purposes;*

*b3) 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 2014 AND OCTOBER 2015**

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

##### **a. 'Cultivate' Community Food Growing programme**

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.

In August 2015 Lancashire County Council (project funder) informed us that as of 1st April 2016 the overall Public Health programme that Cultivate sits within will be reissued via a tender process. The selection criteria for the new tender process excludes Prospects from tendering. This means that, as of 1st April 2016, we will become reliant on working in partnership with the successful tenderer. Discussions with a tenderer have taken place. This means that we cannot guarantee the long-term continuation of the Cultivate programme until the tender process is complete, which will be in March 2016.

During the period the total income received towards the programme amounted to £67,426 with expenditure totalling £58,406. The vast majority of the income received was from Lancashire County Council (£64,663). This amount includes £5,000 from the County Council towards a Food Poverty pilot that took place during the summer of 2015. In addition, the balance of the income was made up of contributions from partner organisations (mostly schools) towards projects on their own sites.

##### **b. 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. Some headline achievements for the project include:

## **The PROSPECTS Foundation**

### **Trustees' Report**

- Total Activities delivered since Windfall Funding started is 124
- Total of people engaged 350, some overlap between AWA, CCG and last six months - Target 250
- 715 new PEC (Prospects Environment Centre) enquiries since start of the project
- 122 new Volunteer Enquiries since start of the project
- What's On E-News now 477 on mailing list plus 14 HAC (Hobby Arts and Crafts), 40 MIAMI (Make It And Mend It) and 48 Cycling. Started with 250 and now 579 but some duplication. Target was 500.
- Social Media Facebook Likes - was 110 is now 331; Twitter has 124 Followers
- Website – we monitor the website usage with Google Analytics

During the financial year we received income of £35,656 for the programme. This was received from the Windfall Fund (£17,920), Santander Foundation (£8,539), the Big Lottery's Awards for All fund (£9,147) and a donation of £50 from ASDA. Expenditure incurred during the year amounted to £14,095.

The first 'phase' of this programme ended mid-October 2015. During the year additional funding was secured for 'phase 2' of the project which started in mid-October 2015 and will run until mid-October 2017. Phase 2 of the project will continue to focus on raising awareness of environmental issues but there will also be a strong focus on development of our volunteer development policies and practices and establishment of activities at our new Training Centre, Oak Hill Park.

#### **c. 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.

During the year we received income of £124,798 for the Windfall Fund. This was almost entirely made up of the payment from EnergieKontor (£124,130) plus bank interest. Total expenditure during the year amounted to £127,228 and consisted of the grants paid out plus the running costs of the Fund.

During the year there were four funding rounds and in total 12 grants were awarded totalling £90,452 of which £52,350 was paid during the year. A further £29,381 was paid during the year for grants awarded in 2013/14 and two small grants totalling £365 were awarded and paid from the Fund's micro grant pot. This amounts to £82,096 in total paid in this year. £1,993 was returned from a project which no longer required the grant, giving a total of £80,103 for the year. Of this £36,878 was paid to The PROSPECTS Foundation towards the Nature Conservation and Environmental Awareness programmes.

Included in the total amount awarded (£90,452) during the period, there was a grant allocation of £38,419 made to The PROSPECTS Foundation towards the Nature Conservation and Environmental Awareness programmes.

During the summer of 2015 there were two school visits to the wind farm by Mount Carmel RC High School. Representatives from EnergieKontor also visited 9 of the funded projects.

#### **d. 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. This 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.



## **The PROSPECTS Foundation**

### **Trustees' Report**

During the period the programme income received totalled £22,116, including a Windfall allocation of £18,958, and expenditure totalled £26,001.

The programme is fully funded until the end of April 2016 and a Heritage Lottery Fund application is to be submitted in early 2016 for a new 2.5 year programme that will focus on the Natural heritage of two large sites in Accrington (Woodnook Vale and the Coppice/Peel Park). If successful this programme will take over from the Nature Conservation programme.

#### **e. 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 an ethical retail shop (One Planet), a woodland management community interest company (Woody) and a furniture re-use charity (Hyndburn Used Furniture Store).

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

The land at Coach Road Meadow was purchased by The Foundation in March 2005. Following ongoing feasibility work the charity is now exploring alternative proposals to the original idea of an environmental business park. A revised planning application is intended during the coming year.

#### **g. Tinker Brook Tree Nursery**

The Tinker Brook site has been leased by the charity from Hyndburn Borough Council since 1998. In 2007 the charity entered into a new lease for the site that will expire in August 2031. 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.

#### **h. Charity Development work**

During the year we have carried out successful fundraising bids (Santander Foundation, Awards for All and Windfall Fund) to support the work of the Environmental Awareness project and worked on grant applications for continuation of Nature Conservation project work and Cultivate community food growing activities. At the time of writing this Trustee's Report we are still awaiting the outcome of those grant applications.

Other Charity Development work has included reviewing the suitability of office accommodation, securing premises in Oak Hill Park for use as a Training Room, support for Social Enterprises (see paragraph e.), setting up licences for residents at Hill Street to use part of Coach Road Meadows for car parking, further updates to Staff Handbook, organising and facilitating Management Committee meetings and Finance Group meetings, community consultation work for new project proposals, liaising with Treasurer and staff to monitor project budgets, monitoring charity outcomes, line managing project staff.

During the year the Charity Manager post was funded by grants from the Lancashire County Council's Central Gateway Fund and management fees through various projects.

## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **i. 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. Four of the eight Panels are currently active: Baxenden Community forum, Clayton-le-Moors with Altham Prospects Panel, Huncoat Community Forum and Rishton Prospects Panel.

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

The recorded time contributed by volunteers in all our activities during the year from November 2014 to October 2015 amounted to 6,009 hours, and has been valued at £83,525. This figure is calculated on the basis that each volunteer hour amounts to a cash equivalent of £13.90. 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 to £256,799 from £322,233 in the previous year. The total resources expended also reduced to £243,401 from £342,502 in the previous year. Overall, the net incoming resources for the year were £13,398.

Restricted income for specific activities totalled £250,888, and total restricted expenditure was £240,825. The overall balance on restricted funds was £86,256 at the 31st October 2015.

#### **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.

#### **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 £81,035 to £84,370. This includes £15,025 tied up in fixed assets. Hence, the free reserves amount to £69,345. 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:

## **The PROSPECTS Foundation**

### **Trustees' Report**

#### **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.

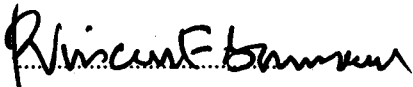
Awareness Raising - of the above and of environmental issues in general

**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 23 March 2016 and signed on its behalf by:

A handwritten signature in black 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 2015, which are set out on pages 13 to 23.

### **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 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 DChA  
Independent Examiner

23 March 2016

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 2015

		Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	Note	£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	2,080	237,981	240,061	300,333
Investment income	4	1,051	468	1,519	1,628
Other incoming resources	5	2,780	12,439	15,219	20,272
Total incoming resources		<u>5,911</u>	<u>250,888</u>	<u>256,799</u>	<u>322,233</u>
<b>Resources expended</b>					
Charitable activities	6	2,321	239,250	241,571	340,726
Governance costs	8	255	1,575	1,830	1,776
Total resources expended		<u>2,576</u>	<u>240,825</u>	<u>243,401</u>	<u>342,502</u>
Net income/(expenditure) before transfers		3,335	10,063	13,398	(20,269)
<b>Transfers</b>					
Gross transfers between funds		-	-	-	-
Net movements in funds		3,335	10,063	13,398	(20,269)
<b>Reconciliation of funds</b>					
Total funds brought forward		81,035	76,193	157,228	177,497
Total funds carried forward		<u>84,370</u>	<u>86,256</u>	<u>170,626</u>	<u>157,228</u>

The notes on pages 15 to 23 form an integral part of these financial statements.

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

**Balance Sheet as at 31 October 2015**

		2015		2014	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		15,000		15,000
Investments	14		25		25
			<u>15,025</u>		<u>15,025</u>
<b>Current assets</b>					
Cash at bank and in hand		161,215		145,439	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(5,614)</u>		<u>(3,236)</u>	
<b>Net current assets</b>			<u>155,601</u>		<u>142,203</u>
<b>Net assets</b>			<u>170,626</u>		<u>157,228</u>
<b>The funds of the charity:</b>					
<b>Restricted funds</b>			86,256		76,193
<b>Unrestricted funds</b>					
Unrestricted income funds			<u>84,370</u>		<u>81,035</u>
<b>Total charity funds</b>			<u>170,626</u>		<u>157,228</u>

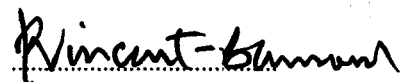
For the financial year ended 31 October 2015, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 23 March 2016 and signed on its behalf by:



Mr P Vincent-Barwood  
Trustee

The notes on pages 15 to 23 form an integral part of these financial statements.



## **The PROSPECTS Foundation**

### **Notes to the Financial Statements for the Year Ended 31 October 2015**

#### **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.

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.

##### **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.

## The PROSPECTS Foundation

### Notes to the Financial Statements for the Year Ended 31 October 2015

..... continued

#### 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 2015 £	Total Funds 2014 £
<b>Grants</b>				
Other voluntary income	2,080	3,502	5,582	14,273
Grants receivable	-	225,332	225,332	203,286
Big Lottery Fund	-	9,147	9,147	82,774
	<u>2,080</u>	<u>237,981</u>	<u>240,061</u>	<u>300,333</u>

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2015**

..... continued

### **3 Grants receivable**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
Energiekontor	-	124,330	124,330	121,879
Local Authority Grants	-	82,463	82,463	71,423
Bootstrap Enterprises	-	10,000	10,000	6,000
Hyndburn & Ribble Valley CVS	-	-	-	3,984
Santander	-	8,539	8,539	-
Big Lottery Fund - Awards for All	-	9,147	9,147	-
Big Lottery Fund - Natural England	-	-	-	35,893
Big Lottery Fund - Royal Society of Wildlife Trusts	-	-	-	46,881
	<u>-</u>	<u>234,479</u>	<u>234,479</u>	<u>286,060</u>

### **4 Investment income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
Bank interest received	<u>1,051</u>	<u>468</u>	<u>1,519</u>	<u>1,628</u>

### **5 Other incoming resources**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
<b>Other income</b>				
Fees & charges	<u>2,780</u>	<u>12,439</u>	<u>15,219</u>	<u>20,272</u>

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2015**

..... continued

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

	<b>Activities undertaken directly £</b>	<b>Grant funding of activities £</b>	<b>Support costs allocated £</b>	<b>2015 £</b>	<b>2014 £</b>
Other Projects Costs	4,245	-	-	4,245	4,201
Cultivate Food	58,002	-	-	58,002	56,586
Growing Programme	-	-	-	-	25,584
Access to Nature	-	-	-	-	1,404
Others	2,321	-	-	2,321	-
Local food growing programme	8,000	-	-	8,000	51,367
Environmental Awareness	13,949	-	-	13,949	17,464
Windfall	46,759	-	-	46,759	44,647
Charity Manager	3,607	-	35,755	39,362	54,465
Nature Conservation	25,708	-	-	25,708	12,002
Various	-	21,475	-	21,475	25,980
Recycling	-	-	-	-	18,875
Environmental Awareness	-	21,750	-	21,750	28,151
	<u>162,591</u>	<u>43,225</u>	<u>35,755</u>	<u>241,571</u>	<u>340,726</u>

### **7 Grantmaking**

<b>Activity</b>	<b>Name of Institution</b>	<b>Grants to institutions £</b>
Various	General grants (under £5,000)	21,475
Environmental Awareness	One Planet (Accrington) Ltd	6,488
	Friends of St. Christopher's	6,650
	Friends of Jackhouse Nature Reserve	8,612
		<u>43,225</u>

### **8 Governance costs**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
Accountancy fees	<u>255</u>	<u>1,575</u>	<u>1,830</u>	<u>1,776</u>

# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2015**

..... continued

### **9 Trustees' remuneration and expenses**

No trustee received any remuneration or expenses during the year or the previous year.

### **10 Net income/(expenditure)**

Net income/(expenditure) is stated after charging:

	2015 £	2014 £
Accountancy fees	<u>1,830</u>	<u>1,776</u>

### **11 Employees' remuneration**

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

	2015 No.	2014 No.
Charitable activities	<u>5</u>	<u>6</u>

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	119,941	134,399
Social security	<u>8,799</u>	<u>10,366</u>
	<u>128,740</u>	<u>144,765</u>

### **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 2015**

..... *continued*

### **13 Tangible fixed assets**

	<b>Freehold land £</b>
<b>Cost</b>	
As at 1 November 2014 and 31 October 2015	<u>15,000</u>
<b>Net book value</b>	
As at 31 October 2015	<u>15,000</u>
As at 31 October 2014	<u>15,000</u>

### **14 Investments held as fixed assets**

	<b>Other investments £</b>
<b>Market value</b>	
As at 1 November 2014 and 31 October 2015	<u>25</u>
<b>Net book value</b>	
As at 31 October 2015	<u>25</u>
As at 31 October 2014	<u>25</u>
All investment assets were held in the UK.	

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

	<b>2015 £</b>	<b>2014 £</b>
Accruals and deferred income	<u>5,614</u>	<u>3,236</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.

## **The PROSPECTS Foundation**

### **Notes to the Financial Statements for the Year Ended 31 October 2015**

..... *continued*

#### **17 Operating lease commitments**

As at 31 October 2015 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>Land and Buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Within one year	8,000	-
Within two and five years	-	8,000
Over five years	1,650	1,650
	<u>9,650</u>	<u>9,650</u>

**The PROSPECTS Foundation**  
**Notes to the Financial Statements for the Year Ended 31 October 2015**

..... 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 2014	Incoming resources	Resources expended	Transfers	At 31 October 2015
	£	£	£	£	£
<b>General Funds</b>					
Unrestricted funds	81,035	5,911	(2,576)	-	84,370
<b>Restricted Funds</b>					
Community Projects	2,502	-	-	-	2,502
Cultivate Food Growing Project	23	66,605	(58,406)	800	9,022
Other Projects	10,555	11,178	(4,245)	-	17,488
Access to Nature	-	-	-	-	-
Local Food Growing Programme	8,800	-	(8,000)	(800)	-
Environmental Awareness	8,534	17,736	(14,095)	17,920	30,095
Windfall	5,459	124,798	(90,350)	(36,878)	3,029
Charity Manager	24,563	27,413	(39,728)	-	12,248
Nature Conservation	15,757	3,158	(26,001)	18,958	11,872
	<u>76,193</u>	<u>250,888</u>	<u>(240,825)</u>	<u>-</u>	<u>86,256</u>
	<u>157,228</u>	<u>256,799</u>	<u>(243,401)</u>	<u>-</u>	<u>170,626</u>



# **The PROSPECTS Foundation**

## **Notes to the Financial Statements for the Year Ended 31 October 2015**

..... *continued*

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

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2015</b>	<b>Total Funds 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	15,000	-	15,000	15,000
Investments	25	-	25	25
Current assets	74,959	86,256	161,215	145,439
Creditors: Amounts falling due within one year	(5,614)	-	(5,614)	(3,236)
Net assets	<u>84,370</u>	<u>86,256</u>	<u>170,626</u>	<u>157,228</u>