

**REGISTERED COMPANY NUMBER: 3686719 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1076541**

Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 October 2016  
for  
The Prospects Foundation

KM  
4/6 Grimshaw St  
Burnley  
Lancashire  
BB11 2AZ

The Prospects Foundation

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for the Year Ended 31 October 2016

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The Prospects Foundation

Reference and Administrative Details  
for the Year Ended 31 October 2016

**TRUSTEES**

Mr P Vincent-Barwood  
Mr C Cooper  
Mr N Cort  
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  
Cllr P Short

**COMPANY SECRETARY**

Mrs M Worden

**REGISTERED OFFICE**

Prospects Environment Centre  
54 Broadway  
Accrington  
Lancashire  
BB5 1EW

**REGISTERED COMPANY  
NUMBER**

3686719 (England and Wales)

**REGISTERED CHARITY  
NUMBER**

1076541

**INDEPENDENT EXAMINER**

KM  
4/6 Grimshaw St  
Burnley  
Lancashire  
BB11 2AZ

The Prospects Foundation

Reference and Administrative Details  
for the Year Ended 31 October 2016

**SOLICITORS BANKERS**

Forbes Solicitors  
Rutherford House  
4 Wellington Street (St Johns)  
Blackburn  
Lancashire  
BB1 5AS

Triodos Bank  
Deanery Road  
Bristol  
BS1 5AS

**INVESTMENT ADVISOR**

Wrigleys Solicitors  
19 Cookridge Street  
Leeds  
West Yorkshire  
LS2 3AG

Report of the Trustees  
for the Year Ended 31 October 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**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 our Memorandum of Association, are as follows:

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

- 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; and
- 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; and
- b3) the promotion of urban and rural regeneration in Hyndburn, in relation to sustainable development for current and future generations.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

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**

During the year our Cultivate Food programme came to an end. Cultivate was a borough-wide initiative that started in 2008 and was funded by Lancashire County Council's Public Health Services Department. Cultivate promoted 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 varied from backyard or windowsill growing, to a full allotment plot. Organic food-growing training and hands-on support was 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.

However, in August 2015 Lancashire County Council informed us that from 1st April 2016 the overall Public Health programme that Cultivate sits within was to be reissued via a tender process. The selection criteria (i.e. east-Lancashire wide coverage) for the new tender process excluded a bid from PROSPECTS. This meant that our involvement in that activity, via the Cultivate programme, finished on 31st March 2016.

During the period the total income received towards the programme amounted to £13,289 with expenditure totalling £20,731. This included £11,933 received from Lancashire County Council and £1,000 from Hyndburn Borough Council towards a Food Poverty Pilot project run through the programme.

#### **b. Environmental Awareness**

A key activity for the charity, as per our objects, is the continued raising of awareness of environmental issues, especially our six themes of sustainability (Food, Biodiversity, Energy, Recycling, Transport and Awareness) as well as promoting the work of the charity within our local community. In October 2013 we recruited a part-time 'Activity Organiser' to develop and run training, workshops, events and activities, both at our premises at 54 Broadway and in the community.

This awareness work continued during the year and consisted of activities, events and training at our Broadway premises as well as at our new workshop based at Oak Hill Park in Accrington. These sessions related to our sustainability themes and were a combination of 'hands-on' activities, training, films, talks, visits and discussions. Other activities included ongoing support for our regular groups, MIAMI (Make It And Mend It) and HAC (Hobby Arts and Crafts).

In addition, we continued to welcome many new volunteers through enquiries at our premises on Broadway as well as maintaining a high profile in the local press, on the radio and social media.

The finale of the year was a very successful 'Woodland Fun Day' that we organised at Bullough Park in Accrington in September 2016. The event was a great opportunity for the charity and our partners celebrate and highlight the sort of activities we carry out. Activities and stalls were aimed at offering people the chance to take part and included the Dry Stone Walling Association, Dr Bike sessions, Hyndburn's 'Up and Active' team, Wood-Sage Outdoor Education, Hyndburn Homes, Hyndburn Tree Wardens, Woody (Hyndburn) CIC, Hyndburn Borough Council, Lancashire Wildlife Trust, Greenwood Twiggs, Art Daze, Acorn Woodcraft and the Ribble Rivers Trust. Radio Lancashire were also in attendance throughout the event.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

Finally, we have also been able to continue as an AQA centre, with the benefit of being able to offer accredited training to many volunteers across all our programmes. We see this as a tangible reward for our hard-working volunteers.

During the year we received income of £13,426 for the programme. This was received from the Windfall Fund (£9,769), East Lancashire Clinical Commissioning Group (£4,736) and the balance (£171) made up of donations, contributions and room hire from partners for running AQA training sessions. In addition, an unused grant allocation of £1,250 was returned to the Windfall Fund following the conclusion of a previous project. Expenditure incurred amounted to £26,141.

### **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 receives £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 £126,804 for the Windfall Fund. This was almost entirely made up of the payment from EnergieKontor (£125,194) plus bank interest. Total expenditure during the year amounted to £123,234 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 15 grants were awarded totalling £73,125 including an allocation of £9,500 made to The PROSPECTS Foundation towards the Connecting with Nature programme and access and habitat work at Whinney Hill.

Payments made during the year included £27,881 towards the grants awarded in 2015/2016 plus a further £27,968 for grants awarded in 2014/15 and twelve small grants totalling £2,762 were awarded and paid from the Fund's 'Mini' grant pot. This amounts to £58,611 in total. In addition £17,519 was paid to The PROSPECTS Foundation towards the Environmental Awareness Raising, Connecting with Nature and Whinney Hill programmes - the amount actually transferred being £16,269 (ie. £17,519 less £1,250 which was returned from a previous project). In total therefore £76,130 was paid out during the year.

During the Summer of 2016 there was one visit to the wind farm by Aawaz, an organisation supporting South Asian women based in Accrington.

### **d. Nature Conservation in Hyndburn**

During the year, our Nature Conservation in Hyndburn came to an end in April 2016. Nature Conservation was funded by the Hyndburn Windfall Fund and during the year it continued the excellent practical conservation work of the Monday Conservation Group (which concentrated on two proposed Local Nature Reserve sites in Accrington) as well as establishing a new Tuesday 'Green Team' that had a wider remit to work anywhere across the borough. The post was able to provide practical support for our PROSPECTS Panels on existing or new sites.

During the period the programme income received totalled £2,125 and expenditure totalled £10,921. The programme ended in April 2016 and was replaced by the new 'Connecting People with Hyndburn's Natural Heritage' programme funded by the Heritage Lottery Fund.

### **e. Connecting People to Hyndburn's Natural Heritage**

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

Connecting People to Hyndburn's Natural Heritage is a new two and half year programme that started in April 2016 and will run until the end of September 2018. The entire programme is primarily funded by the Heritage Lottery Fund (£89,300) with match funding provided by Lancashire County Council (£2,000) and The PROSPECTS Foundation (£2,000).

The main focus of the programme is to engage local people in exploring, learning about, and protecting the Woodnook Vale and the Peel Park/Coppice sites in Accrington, with the aim of supporting partner organisations in the designation of both sites as Local Nature Reserves. A key aspect of this is the involvement of local people and this will be achieved through a varied programme of learning activities based around conservation and natural heritage. In addition we will work with 400 volunteers and also establish a new Volunteer Ranger Service to help look after both sites.

During the year the programme received income totalling £49,725 and expenditure totalled £17,166. The income was received from the Heritage Lottery Fund (£44,650), Lancashire County Council (£2,000) and the balance from The PROSPECTS Foundation (£3,075).

### **f. Connecting with Nature**

Connecting with Nature is also a new programme that started in April 2016 and is currently due to run until March 2017. Its main focus is providing environmental activities on four sites across the borough. These sites are Piggy Park Community Garden in Rishton, Hyndburn Homes Community House in Huncoat, the Growing Wild site in Baxenden and Inward House in Accrington.

The key focus of the programme is to offer people 'taster' sessions covering a wide variety of activities for individuals and groups in order to help spark an interest in the environment. Activities and sessions include practical conservation work, environmental education, organic food growing, craft sessions and wildlife gardening amongst others. As with our other programmes we also offer AQA accredited training and qualifications for volunteers taking part.

The programme is funded by Newground Together and the Hyndburn Windfall Fund. During the year income was received totalling £13,916, including £4,534 from Newground Together and £5,750 from the Windfall Fund. Expenditure for the year totalled £11,422.

### **g. Rewilding Hyndburn's Green Spaces**

Rewilding is also a new programme that started at the very end of the financial year in October 2016. The programme is fully funded by Postcode Local Trust which is a grant-giving charity funded entirely by players of People's Postcode Lottery.

The aim of the programme is to create and enhance habitats for wildlife on 20 sites across the borough whilst also providing natural resources to encourage organic practices on a range of community food growing sites. Bees, ladybirds, butterflies, hedgehogs, frogs will be enticed to take up residence. Hedges, natural barriers and areas of organic feed as a natural 'security' fence will be placed in situ, as and when appropriate.

A major feature of the programme will be the training and activity sessions with members of the community groups and schools taking part. These will include activities such as creating wildflower meadows, making bug hotels, planting organic feed borders, hedgerows, fruit bushes and heritage orchards (e.g. Lancashire apples), making and installing bird boxes and feeders, habitat piles and bog gardens.



## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

By the end of the programme we aim to have worked with 120 people on 20 sites across the borough. We also aim to have helped 30 people attain accredited AQA Unit Awards.

During the year income was received totalling £19,975 which was the grant award in advance from the Postcode Local Trust. Expenditure incurred totalled £954.

### **h. Social Enterprise Development Initiative**

Again, during the year we continued our support for a number of social enterprises linked to the charity. This activity was funded through the Lancashire County Council Central Gateway Grant that also supports our Charity Manager post. The support primarily consisted of administration, funding applications and general strategic development support for an ethical retail shop (One Planet Accrington), a woodland management community interest company (Woody Hyndburn CIC) and a furniture re-use charity (Hyndburn Used Furniture Store). Unfortunately, HUFS went into voluntary liquidation in May 2016.

### **i. Coach Road Meadows**

The land at Coach Road Meadow was originally purchased by the charity in March 2005 with the aim of establishing an environmental business park on the site. However, changes in funding mean that this is proving more difficult to realise and the charity continues to explore other uses for the site. Again, these will require securing additional funding.

### **j. 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, 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. The partnership with Bootstrap means that this valuable service continues at Tinker Brook.

### **k. Charity Development work**

A continual, and necessary, part of our development work involves identifying and then securing external funding in order to be able to continue our charitable work. During the year we were successful with new funding applications to the Heritage Lottery Fund, East Lancashire Clinical Commissioning Group, Lancashire Environmental Fund (twice), Newground Together, the Postcode Local Trust, the Woodland Trust and finally the Garfield Weston Foundation at the very end of the year.

Another potential opportunity for the charity is linked to the proposed closure of Lancashire County Council's Countryside Service in March 2018. Back in November 2015 the County Council announced the closure of their Countryside Service and the support for 9 woodland sites in Hyndburn. Concerned about the potential loss or degradation of these sites, the charity submitted an 'Expression of Interest' to the County Council for the management of these sites in early 2016 and were subsequently asked to submit a full detailed application in July 2016. The result of this application was still not known at the year end and ongoing discussions will continue in the next year. To support this potential opportunity an application was submitted to the Woodland Trust under their Woodland Support Fund and a decision is due in the new financial year.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

Other charity development work has also included negotiating a new 3-year lease for our premises at 54 Broadway until March 2019, securing the use of workshop premises in Oak Hill Park for use as a Training Room, ongoing support for social enterprises, organising and facilitating Management Committee meetings and Finance Group meetings, community consultation work for new project proposals, liaising with our Treasurer and staff to monitor project budgets and funder monitoring requirements and the line management of staff.

During the year the Charity Manager post was funded by grants from the Lancashire County Council's Central Gateway Fund (£7,500), the Garfield Weston Foundation (£10,000), the Woodland Trust (£1,000) and management fees through our programmes.

### **l. 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.

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

The recorded time contributed by volunteers in all our activities during the year from November 2015 to October 2016 amounted to 6,477 hours, and has been valued at £90,036. 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**

### **Financial position**

#### **Charity**

The attached statements show the current state of the finances.

Total incoming resources increased from £256,799 to £296,434 an increase of £39,635 from the previous year. The total resources expended increased from £243,401 to £261,444 an increase of £18,043 from the previous year. The net incoming resources for the year were £34,990.

Restricted income for specific activities totalled £290,009, and total restricted expenditure was £258,256. The overall balance on restricted funds was £118,009 at the 31st October 2016. 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.

#### **Investment policy and objectives**

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 policy**

The Trustees have adopted a policy regarding reserves which ensures we are able to meet all our current and future liabilities and is reviewed annually and approved by the Management Committee. As we are so dependent on grants it is considered that the level of reserves needs to be adequate to maintain core activities and that the equivalent of three months of total expenditure is appropriate, being approximately £65,000.

During the year the unrestricted reserves increased from £84,370 to £87,607. This includes £15,025 tied up in fixed assets. Hence, the free reserves amount to £72,582.

## **FUTURE PLANS**

A 'Business Plan' covering the period November 2015 to October 2016 was produced during the previous financial year. The key tasks that were identified, and acted upon, during this year were as follows:

### **Strategic**

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

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

Develop a new action plan for delivery of the Windfall Community Fund

### **Charity Management**

Update the Staff Handbook

Ensure regular monitoring and evaluation

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

### **Further work planned for 2016/17 includes:**

Review of our Mission Statement

Write a short one-page Strategy statement for members of the public which is easy to understand

Agree a 'Common Purpose' and medium-term plan

Generate new project ideas according to Common Purpose discussions and new medium-term plan

Write a marketing plan

Increase PROSPECTS Foundation membership

### **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;

## The Prospects Foundation

### Report of the Trustees for the Year Ended 31 October 2016

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

#### **Recruitment and appointment of new trustees**

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

As per our Articles of Association, the Committee shall consist of:

(a) one representatives from each of the Approved Prospects Panels, an Approved Prospects Panel being a Prospects Panel that has been approved 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 Trustee**

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

Report of the Trustees

for the Year Ended 31 October 2016

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**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 the following insurance cover in place:

Employers Liability, £10 million

Public Liability, £5 million

Products Liability, £5 million

Trustee Liability, £500,000

Personal Accident Cover for Staff, Trustees & Volunteers £10,000

Property Damage

Contents Cover

Legal Expenses £250,000

**SMALL COMPANY PROVISIONS**

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

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....

Mr P Vincent-Barwood - Trustee

## The Prospects Foundation

### Statement of Trustees Responsibilities for the Year Ended 31 October 2016

The trustees (who are also the directors of The Prospects Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 for the year ended 31 October 2016 set out on pages sixteen to twenty six.

**Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's 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 required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of 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
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

**Basis of the 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 statements 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 and 387 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)

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.



Independent Examiner's Report to the Trustees of  
The Prospects Foundation

M R Heaton FCCA FCIE DChA  
Association of Charity Independent Examiners  
KM  
4/6 Grimshaw St  
Burnley  
Lancashire  
BB11 2AZ

Date: .....

The Prospects Foundation

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

for the Year Ended 31 October 2016

	Notes	Unrestricted fund £	Restricted funds £	31.10.16 Total funds £	31.10.15 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	3,130	-	3,130	2,080
<b>Charitable activities</b>	4				
Environmental Projects		-	276,615	276,615	237,981
Investment income	3	1,186	360	1,546	1,519
Other income		2,109	13,034	15,143	15,219
<b>Total</b>		6,425	290,009	296,434	256,799
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Accountancy Fees		452	1,474	1,926	1,830
Environmental Projects		-	23,232	23,232	4,245
General Costs		2,736	-	2,736	-
Cultivate Food Growing Programme		-	20,731	20,731	58,002
Others		-	-	-	2,321
Local food growing programme		-	-	-	8,000
Environmental Awareness		-	25,871	25,871	13,949
Windfall		-	46,719	46,719	46,759
Charity Manager		-	38,546	38,546	39,362
Nature Conservation		-	10,921	10,921	25,708
Windfall Grants - Various		-	17,708	17,708	21,475
Windfall Grant - Environmental Awareness		-	25,903	25,903	21,750
Connecting with Nature		-	11,229	11,229	-
Rewilding		-	906	906	-
Natural Heritage		-	16,858	16,858	-
Whinney Hill		-	3,158	3,158	-
Windfall Grants - Energy		-	7,500	7,500	-
Windfall Grants - Local Food		-	7,500	7,500	-
<b>Total</b>		3,188	258,256	261,444	243,401
<b>NET INCOME</b>		3,237	31,753	34,990	13,398
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		84,370	86,256	170,626	157,228
<b>TOTAL FUNDS CARRIED FORWARD</b>		87,607	118,009	205,616	170,626

The notes form part of these financial statements

The Prospects Foundation

Balance Sheet

At 31 October 2016

	Notes	Unrestricted fund £	Restricted funds £	31.10.16 Total funds £	31.10.15 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	15,000	-	15,000	15,000
<b>CURRENT ASSETS</b>					
Debtors	13	150	-	150	-
Investments	14	25	-	25	25
Cash at bank and in hand		78,552	118,009	196,561	161,215
		<hr/>	<hr/>	<hr/>	<hr/>
		78,727	118,009	196,736	161,240
<b>CREDITORS</b>					
Amounts falling due within one year	15	(6,120)	-	(6,120)	(5,614)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		72,607	118,009	190,616	155,626
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		87,607	118,009	205,616	170,626
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>		87,607	118,009	205,616	170,626
		<hr/>	<hr/>	<hr/>	<hr/>
<b>FUNDS</b>	17				
Unrestricted funds				87,607	84,370
Restricted funds				118,009	86,256
				<hr/>	<hr/>
<b>TOTAL FUNDS</b>				205,616	170,626
				<hr/>	<hr/>

The notes form part of these financial statements

The Prospects Foundation

Balance Sheet - continued

At 31 October 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 October 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
Mr P Vincent-Barwood -Trustee

## **1. ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- not provided
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### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2016

**2. DONATIONS AND LEGACIES**

	31.10.16	31.10.15
	£	£
Employment Allowance	3,000	2,000
Donations	130	80
	<u>3,130</u>	<u>2,080</u>

**3. INVESTMENT INCOME**

	31.10.16	31.10.15
	£	£
Bank interest received	1,546	1,519
	<u>1,546</u>	<u>1,519</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	31.10.16	31.10.15
		£	£
Recharges of expenditure	Environmental Projects	4,802	3,502
Bootstrap Enterprises	Environmental Projects	6,000	10,000
Grants	Environmental Projects	265,813	224,479
		<u>276,615</u>	<u>237,981</u>

Grants received, included in the above, are as follows:

	31.10.16	31.10.15
	£	£
Energiekontor	125,194	124,330
Local Authority Grants	29,500	82,463
Santander	-	8,539
Big Lottery Fund - Awards for All	-	9,147
Lancashire Environmental Fund	27,224	-
East Lancashire Clinical Commissioning Group	4,736	-
Postcode Local Trust	19,975	-
Newground Together	4,534	-
Garfield Weston Foundation	10,000	-
Big Lottery Fund - Natural Heritage	44,650	-
	<u>265,813</u>	<u>224,479</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2016

**5. CHARITABLE ACTIVITIES COSTS**

	Direct costs (See note 6)	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Environmental Projects	22,432	-	800	23,232
General Costs	2,655	-	81	2,736
Cultivate Food Growing Programme	19,741	-	990	20,731
Environmental Awareness	21,334	-	4,537	25,871
Windfall	34,210	-	12,509	46,719
Charity Manager	7,493	-	31,053	38,546
Nature Conservation	10,921	-	-	10,921
Connecting with Nature	10,841	-	388	11,229
Rewilding	906	-	-	906
Natural Heritage	16,333	-	525	16,858
Whinney Hill	3,158	-	-	3,158
Windfall Grants - Various	-	17,708	-	17,708
Windfall Grant - Environmental Awareness	-	25,903	-	25,903
Windfall Grants - Energy	-	7,500	-	7,500
Windfall Grants - Local Food	-	7,500	-	7,500
Accountancy Fees	-	-	1,926	1,926
	<u>150,024</u>	<u>58,611</u>	<u>52,809</u>	<u>261,444</u>

**6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	31.10.16 £	31.10.15 £
Staff costs	97,642	92,985
Staff training	830	1,040
Travel and subsistence	1,128	1,499
Rent	13,492	14,364
Insurance	2,059	4,422
Promotional Materials	3,501	6,299
Office expenses	5,537	3,815
Equipment & Communications	796	407
Promotional expenses	91	763
Environmental works	23,767	20,199
Other Professional fees	1,181	-
	<u>150,024</u>	<u>145,793</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2016

**7. GRANTS PAYABLE**

	31.10.16	31.10.15
	£	£
Windfall Grants - Various	17,708	21,475
Windfall Grant - Environmental Awareness	25,903	21,750
Windfall Grants - Energy	7,500	-
Windfall Grants - Local Food	7,500	-
	<u>58,611</u>	<u>43,225</u>

The total grants paid to institutions during the year was as follows:

	31.10.16	31.10.15
	£	£
General grants (under £5,000)	17,708	21,475
One Planet (Accrington) Ltd	5,435	6,488
Friends of St. Christopher's	13,595	6,650
Friends of Jackhouse Nature Reserve	-	8,612
Sure Start Hyndburn	6,873	-
PCC of St. Bartholomews & St. John	7,500	-
Newground CIC	7,500	-
	<u>58,611</u>	<u>43,225</u>

**8. SUPPORT COSTS**

	Management	Governance costs	Totals
	£	£	£
Accountancy Fees	-	1,926	1,926
Environmental Projects	-	800	800
General Costs	-	81	81
Cultivate Food Growing Programme	-	990	990
Environmental Awareness	-	4,537	4,537
Windfall	-	12,509	12,509
Charity Manager	31,053	-	31,053
Connecting with Nature	-	388	388
Natural Heritage	-	525	525
	<u>31,053</u>	<u>21,756</u>	<u>52,809</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 October 2016 nor for the year ended 31 October 2015.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 October 2016 nor for the year ended 31 October 2015.



Notes to the Financial Statements - continued  
for the Year Ended 31 October 2016

**10. STAFF COSTS**

	31.10.16	31.10.15
	£	£
Wages and salaries	119,301	119,941
Social security costs	9,394	8,799
	<u>128,695</u>	<u>128,740</u>

The average monthly number of employees during the year was as follows:

	31.10.16	31.10.15
	5	5
Charitable activities	<u>5</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	2,080	-	2,080
<b>Charitable activities</b>			
Environmental Projects	-	237,981	237,981
Investment income	1,051	468	1,519
Other income	2,780	12,439	15,219
<b>Total</b>	<u>5,911</u>	<u>250,888</u>	<u>256,799</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Accountancy Fees	-	1,830	1,830
Environmental Projects	-	4,245	4,245
Cultivate Food Growing Programme	-	58,002	58,002
Others	-	2,321	2,321
Local food growing programme	-	8,000	8,000
Environmental Awareness	-	13,949	13,949
Windfall	-	46,759	46,759
Charity Manager	746	38,616	39,362
Nature Conservation	1,830	23,878	25,708
Windfall Grants - Various	-	21,475	21,475
Windfall Grant - Environmental Awareness	-	21,750	21,750
<b>Total</b>	<u>2,576</u>	<u>240,825</u>	<u>243,401</u>
<b>NET INCOME</b>	<u>3,335</u>	<u>10,063</u>	<u>13,398</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2016

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	81,035	76,193	157,228
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>84,370</u>	<u>86,256</u>	<u>170,626</u>

**12. TANGIBLE FIXED ASSETS**

	Land and buildings £
<b>COST</b>	
At 1 November 2015 and 31 October 2016	<u>15,000</u>
<b>NET BOOK VALUE</b>	
At 31 October 2016	<u>15,000</u>
At 31 October 2015	<u>15,000</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.10.16 £	31.10.15 £
Other debtors	<u>150</u>	<u>-</u>

**14. CURRENT ASSET INVESTMENTS**

	31.10.16 £	31.10.15 £
Other	<u>25</u>	<u>25</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.10.16 £	31.10.15 £
Other creditors	<u>6,120</u>	<u>5,614</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2016

**16. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	31.10.16 £	31.10.15 £
Expiring:		
Between one and five years	8,000	8,000
In more than five years	1,650	1,650
	<u>9,650</u>	<u>9,650</u>

**17. MOVEMENT IN FUNDS**

	At 1.11.15 £	Net movement in funds £	Transfers between funds £	At 31.10.16 £
<b>Unrestricted funds</b>				
General fund	84,370	3,237	-	87,607
<b>Restricted funds</b>				
Community Projects	2,502	-	-	2,502
Cultivate Food Growing Project	9,022	(7,442)	(1,580)	-
Other Projects	17,488	4,914	-	22,402
Environmental Awareness	30,095	(21,234)	8,519	17,380
Windfall	3,029	19,839	(16,269)	6,599
Charity Manager	12,248	(8,539)	-	3,709
Nature Conservation	11,872	(8,796)	(3,076)	-
Connecting with Nature	-	(4,836)	7,330	2,494
Rewilding	-	19,021	-	19,021
Natural Heritage	-	29,484	3,076	32,560
Whinney Hill	-	9,342	2,000	11,342
	<u>86,256</u>	<u>31,753</u>	<u>-</u>	<u>118,009</u>
<b>TOTAL FUNDS</b>	<u>170,626</u>	<u>34,990</u>	<u>-</u>	<u>205,616</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2016

**17. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	6,425	(3,188)	3,237
<b>Restricted funds</b>			
Cultivate Food Growing Project	13,289	(20,731)	(7,442)
Other Projects	28,146	(23,232)	4,914
Environmental Awareness	4,907	(26,141)	(21,234)
Windfall	125,554	(105,715)	19,839
Charity Manager	30,277	(38,816)	(8,539)
Nature Conservation	2,125	(10,921)	(8,796)
Connecting with Nature	6,586	(11,422)	(4,836)
Rewilding	19,975	(954)	19,021
Natural Heritage	46,650	(17,166)	29,484
Whinney Hill	12,500	(3,158)	9,342
	<hr/>	<hr/>	<hr/>
	290,009	(258,256)	31,753
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>296,434</u>	<u>(261,444)</u>	<u>34,990</u>

**18. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 October 2016.