

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 2018
for
The Prospects Foundation

KM
1st Floor, Block C
The Wharf
Manchester Road
Burnley
Lancashire
BB11 1JG

The Prospects Foundation

Contents of the Financial Statements
for the Year Ended 31 October 2018

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 9
Statement of Trustees Responsibilities	10
Independent Examiner's Report	11
Statement of Financial Activities	12
Balance Sheet	13 to 14
Notes to the Financial Statements	15 to 22

The Prospects Foundation

Reference and Administrative Details
for the Year Ended 31 October 2018

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 (resigned 17.5.18) Cllr S Button (appointed 17.5.18) Cllr P Short (resigned 17.5.18)
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 1st Floor, Block C The Wharf Manchester Road Burnley Lancashire BB11 1JG
SOLICITORS	Forbes Solicitors Rutherford House 4 Wellington Street (St Johns) Blackburn BB1 5AS
BANKERS	Triodos Bank Deanery Road Bristol BS1 5AS

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2018

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 2018. 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 applicable in the UK and Republic of Ireland (FRS 102) (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.

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2018

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. Environmental Awareness

A key activity for the charity is the raising of awareness of our six themes of sustainability (Food, Biodiversity, Energy, Recycling, Transport and Awareness) and the work of the charity amongst the 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.

During this year a major focus of the post has been the Improving Hyndburn's Wildlife programme funded by the Postcode Local Trust. A major focus of this work was to provide opportunities for the general public to learn about how they could improve their own gardens and green spaces for the benefit of wildlife.

Over the year we worked with 230 people and 28 attained AQA certificates. The sessions took place at our training room at Oakhill Park as well as in local schools and in the community.

During the year we received income of £35,826 for the programme. This was made up of £19,887 from the Postcode Local Trust and £15,939 from the Windfall Fund. Expenditure incurred amounted to £22,321. The balance of income over expenditure has been carried forward into the next financial year to fund the post until June 2019.

b. Windfall Community Benefit Fund

EnergieKontor UK Ltd. has created the 'Windfall Fund' for the 25-year life of the wind farm 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 £133,074 for the Windfall Fund. This was almost entirely made up of the payment from EnergieKontor £132,663 plus bank interest of £411. Total expenditure during the year amounted to £136,904 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 17 grants were awarded. Payments made during the year included £23,265 towards grants awarded in 2016/17 plus a further £21,391 for grants awarded in 2017/18 and five Mini grants totalling £1,162. This amounts to £45,818 in total.

In addition, £40,469 was paid to The PROSPECTS Foundation towards the Environmental Awareness, Whinney Hill, Rewilding and Panels Revival programmes. In total therefore £86,287 was paid out during the year.

During the Summer of 2018 there were two school visits to the wind farm by Broadfield Specialist School. The PROSPECTS Foundation trustees also visited five of the funded projects with a representative from EnergieKontor.

c. Connecting People to Hyndburn's Natural Heritage

This programme started in April 2016 and ends in January 2019. The programme is primarily funded by the Heritage Lottery Fund (HLF) (£89,300) with match funding provided by Lancashire County Council (£2,000) and The PROSPECTS Foundation (£2,000).

The main focus of this programme has been to engage with 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 success during the year was the Celebration Event held in July 2018 to mark the declaration of the two new Local Nature Reserves. This was held at the Haworth Art Gallery and was well attended and supported by partners and volunteers involved in the designation process.

Another key aspect of the programme is the involvement of local people and this is being achieved through a varied programme of learning activities based around conservation and natural heritage. During the year there were 64 volunteering events held totalling 436 volunteers.

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year the programme received income of £35,720 from the Heritage Lottery Fund and expenditure totalled £32,828.

d. Rewilding Hyndburn's Green Spaces

This programme started in October 2016 and, due to successful funding bids during the year, has been extended until summer 2019.

The aim of the programme has been 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. However, when the programme was extended beyond the first year it was broadened to include other green spaces and not just food growing areas. Bees, ladybirds, butterflies, hedgehogs and frogs are being enticed to take up residence and hedges, natural barriers and areas of organic feed as a natural 'security' fence are being planted around food growing sites as and when appropriate.

A major feature of the programme has been the training and activity sessions with members of the community groups and schools taking part. These 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.

During the year we worked with 24 different groups on 22 sites across the Borough. Over 105 different events were held during the year and in total 1,520 participants took part. This total does include repeat beneficiaries but shows the scale of the impact made by the programme.

The schools involved were Accrington Academy, Benjamin Hargreaves, Broadfield, Great Harwood Primary, Intack Primary, Mount Pleasant Primary, Rishton Methodist Primary, St Anne's and St Joseph's Primary, St Christopher's and White Ash.

Other community groups involved were Accrington Women's Centre, Alternative Futures Group, All Saints Church Gardening Group, Growing Wild, Hope Church, Kemple View, New Era Youth Club, Red Rose Recovery, Rishton Brownies, Rockmount, St James House, Syrian Refugees, The Base and Young Carers.

During the year income was received totalling £22,859. This included £7,428 from the Windfall Fund, £10,000 from the National Lottery Community Fund, £2,800 from the Co-op Local Community Fund and £2,631 from participating schools towards project costs. Expenditure incurred totalled £15,175. The balance of income over expenditure has been carried forward into the next financial year.

e. Social Enterprise Development Initiative

Again, during the year we continued our support for a number of social enterprises linked to the charity. This support was provided through the Charity Manager post. The support primarily consisted of administration, funding and strategic development support for an ethical retail shop (One Planet) and a woodland management community interest company called Woody (Hyndurn) CIC.

f. Whinney Hill Phase 2

During the year Foundation staff initiated an environmental project at the Lancashire County Council woodland site at Whinney Hill. This was funded by Lancashire Environmental Fund, the Windfall Fund, Lancashire County Council and Prospects. The project is based around managing the woodland itself, providing a volunteer programme and activities and also adding some habitat homes and features on the site.

Income received during the year was £5,336 consisting of £2,695 from Lancashire Environmental Fund, £2,000 from the Windfall Fund and £641 from Prospects. Expenditure totalled £3,867 and was primarily towards the cost of running volunteer activities, treatment of invasive Japanese Knotweed and a habitat survey of the site pond. The remainder of the planned habitat works will take during winter 2018/19 and the programme is due to end in April 2019.

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2018

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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 partner, Bootstrap Enterprises, to facilitate horticultural training and day care services for people with learning difficulties. The partnership with Bootstrap commenced in October 2013.

h. Coach Road Meadows

The land at Coach Road Meadow was purchased by Prospects in March 2005. Following ongoing feasibility work the charity continues to explore alternative proposals to the original idea of an environmental business park on the site. This will require securing additional funding.

i. Charity Development work

A continual, and necessary, part of our work involves securing external funding in order to continue our charity work. During the year we were successful with new funding applications to ASDA Foundation, Co-op Local Community Fund, Lancashire Environmental Fund and the Postcode Local Trust. In addition we also secured external funding from Lancashire County Council towards supporting activity in County Council owned woodlands and also a donation from Woody (Hyndburn) CIC to help further the adoption of the County Council woodlands.

The work to potentially take on the management responsibility from Lancashire County Council (linked to the closure of Lancashire County Council's Countryside Service in March 2018) for 8 woodland sites in Hyndburn is ongoing.

Other Charity Development work has included 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 Management Fees of £14,166, a grant from the Woodland Trust of £4,118, a contribution from Woody (Hyndburn) CIC of £2,618 towards support provided in developing the social enterprise and an additional donation of £10,000 from Woody (Hyndburn) CIC.

j. The PROSPECTS Panels

The 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.

k. Volunteer contributions to the PROSPECTS Foundation

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.

The Prospects Foundation

Report of the Trustees

for the Year Ended 31 October 2018

FINANCIAL REVIEW

Financial position

The attached statements show the current state of the finances.

Total incoming resources increased from £205,426 to £260,300 an increase of £54,874 from the previous year. The total resources expended decreased from £252,939 to £222,448 a decrease of £30,491 from the previous year. The net incoming resources for the year were £37,852.

Restricted income for specific activities totalled £255,233 and total restricted expenditure was £197,039. The overall balance on restricted funds was £131,540 at the 31st October 2018.

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 £55,000). During the year the unrestricted reserves decreased from £84,757 to £64,415. This includes £15,025 tied up in fixed assets and investments. Hence, the free reserves amount to £49,390.

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2018

FUTURE PLANS

The key tasks that have been identified for the forthcoming year are 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 current and future programmes, projects and activities

Keep under review the make-up of the Management Committee in terms of community representation and relevant skills

Complete conversion of our status from a Charity into a Charitable Incorporated Organisation (CIO)

Projects & Programmes

Review existing projects and amend / enhance / improve as necessary

Secure continuation funding for existing and new project activities

Continued annual review of the delivery of grants to the community through the Windfall Community Fund

Charity Management

Update and review policies in the Staff Handbook as and when necessary

Ensure regular monitoring and evaluation

Improve facilities at our Environment Centre and at our training centre in Oakhill Park

Review the suitability of our current premises for the needs of the charity's activities

Further work planned for 2018/19 includes:

Agree and develop a 'Common Purpose' and medium-term plan

Review our Panel / Forum structure and establish if the model is still relevant for 2019.

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

Increase PROSPECTS Foundation membership

Review the role and membership of PROSPECTS Panels

Improve and update our social media platforms including our website, Facebook and Twitter accounts

Hold a 21st anniversary celebration event

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;

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2018

Waste and Recycling - identifying more ways of reducing, reusing and recycling our waste;

Local 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

The charity is governed by its Articles of Association dated 25th May 2016.

Appointment and election of Trustees

As per our Articles of Association, 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

(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.

Relationships with related parties

The PROSPECTS Panels

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

The Prospects Foundation

Report of the Trustees

for the Year Ended 31 October 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

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, £1 million

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 27 March 2019 and signed on its behalf by:

Mr P Vincent-Barwood - Trustee

A handwritten signature in black ink, appearing to read 'Vincent-Barwood', is written over a faint, larger version of the same signature.

The Prospects Foundation

Statement of Trustees Responsibilities for the Year Ended 31 October 2018

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

Independent examiner's report to the trustees of The Prospects Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 October 2018.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Association of Charity Independent Examiners which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached



M R Heaton FCCA FCIE DChA
Association of Charity Independent Examiners
KM
1st Floor, Block C
The Wharf
Manchester Road
Burnley
Lancashire
BB11 1JG

27 March 2019

The Prospects Foundation

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)
for the Year Ended 31 October 2018

		Unrestricted fund £	Restricted funds £	31.10.18 Total funds £	31.10.17 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,010	-	3,010	3,357
Charitable activities	4				
Environmental Projects		-	238,170	238,170	184,017
Investment income	3	1,257	411	1,668	1,117
Other income		800	16,652	17,452	16,935
Total		<u>5,067</u>	<u>255,233</u>	<u>260,300</u>	<u>205,426</u>
EXPENDITURE ON					
Charitable activities	5				
Accountancy Fees		629	1,291	1,920	1,920
Environmental Projects		-	13,496	13,496	8,287
General Costs		4,095	-	4,095	3,862
Environmental Awareness		-	22,091	22,091	16,490
Windfall		-	50,233	50,233	48,878
Charity Manager		20,685	16,647	37,332	34,927
Windfall Grants - Various		-	24,954	24,954	17,252
Connecting with Nature		-	-	-	11,060
Rewilding		-	15,019	15,019	22,821
Natural Heritage		-	32,444	32,444	30,040
Whinney Hill		-	-	-	34,164
Windfall Grants - Energy		-	14,026	14,026	10,000
Windfall Grants - Transport		-	-	-	6,400
Windfall Grants - Biodiversity		-	6,838	6,838	6,838
Total		<u>25,409</u>	<u>197,039</u>	<u>222,448</u>	<u>252,939</u>
NET INCOME/(EXPENDITURE)		<u>(20,342)</u>	<u>58,194</u>	<u>37,852</u>	<u>(47,513)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>84,757</u>	<u>73,346</u>	<u>158,103</u>	<u>205,616</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>64,415</u></u>	<u><u>131,540</u></u>	<u><u>195,955</u></u>	<u><u>158,103</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

The Prospects Foundation

Balance Sheet

At 31 October 2018

	Notes	Unrestricted fund £	Restricted funds £	31.10.18 Total funds £	31.10.17 Total funds £
FIXED ASSETS					
Tangible assets	12	15,000	-	15,000	15,000
CURRENT ASSETS					
Debtors	13	447	-	447	430
Investments	14	25	-	25	25
Cash at bank and in hand		57,863	131,540	189,403	150,168
		<u>58,335</u>	<u>131,540</u>	<u>189,875</u>	<u>150,623</u>
CREDITORS					
Amounts falling due within one year	15	(8,920)	-	(8,920)	(7,520)
NET CURRENT ASSETS		<u>49,415</u>	<u>131,540</u>	<u>180,955</u>	<u>143,103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		64,415	131,540	195,955	158,103
NET ASSETS		<u>64,415</u>	<u>131,540</u>	<u>195,955</u>	<u>158,103</u>
FUNDS	17				
Unrestricted funds				64,415	84,757
Restricted funds				<u>131,540</u>	<u>73,346</u>
TOTAL FUNDS				<u>195,955</u>	<u>158,103</u>

The notes form part of these financial statements

The Prospects Foundation

Balance Sheet - continued
At 31 October 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2018 in accordance with Section 476 of the Companies Act 2006.

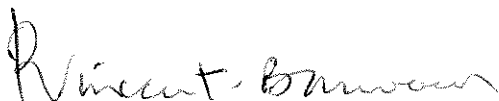
The trustees acknowledge their responsibilities for

- (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 charitable small companies.

The financial statements were approved by the Board of Trustees on 27 March 2019 and were signed on its behalf by:

Mr P Vincent-Barwood -Trustee

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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.

Freehold land - not provided

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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.10.18	31.10.17
	£	£
Employment Allowance	3,000	3,000
Donations	10	357
	<u>3,010</u>	<u>3,357</u>

The Prospects Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

3. INVESTMENT INCOME

	31.10.18	31.10.17
	£	£
Bank interest received	1,668	1,117

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.10.18	31.10.17
		£	£
Recharges of expenditure	Environmental Projects	4,155	7,106
Bootstrap Enterprises	Environmental Projects	6,000	8,000
Grants	Environmental Projects	228,015	168,911
		<u>238,170</u>	<u>184,017</u>

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

	31.10.18	31.10.17
	£	£
Energiekontor	132,663	128,048
Local Authority Grants	10,132	7,731
Lancashire Environmental Fund	2,695	22,016
Newground CIC Together	-	5,542
Woodward Charitable Trust	-	1,000
Woodland Trust	4,118	4,574
Postcode Local Trust	19,887	-
Woody Hyndburn CIC	10,000	-
Heritage Lottery Fund	35,720	-
Co-opLocal Community Fund	2,800	-
Awards for all	10,000	-
	<u>228,015</u>	<u>168,911</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Environmental Projects	12,328	-	1,168	13,496
General Costs	4,040	-	55	4,095
Environmental Awareness	19,632	-	2,459	22,091
Windfall	36,967	-	13,266	50,233
Charity Manager	9,561	-	27,771	37,332
Rewilding	15,019	-	-	15,019
Natural Heritage	31,544	-	900	32,444
Windfall Grants - Various	-	24,954	-	24,954
Windfall Grants - Energy	-	14,026	-	14,026
Windfall Grants - Biodiversity	-	6,838	-	6,838
Accountancy Fees	-	-	1,920	1,920
	<u>129,091</u>	<u>45,818</u>	<u>47,539</u>	<u>222,448</u>

The Prospects Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.10.18	31.10.17
	£	£
Staff costs	96,885	98,136
Staff training	1,495	763
Travel and subsistence	1,894	1,201
Rent	13,461	12,716
Insurance	2,653	2,630
Promotional Materials	4,506	12,589
Office expenses	4,671	4,515
Equipment & Communications	-	118
Promotional expenses	235	19
Environmental works	3,291	33,174
	<u>129,091</u>	<u>165,861</u>

7. GRANTS PAYABLE

	31.10.18	31.10.17
	£	£
Windfall Grants - Various	24,954	17,252
Windfall Grants - Energy	14,026	10,000
Windfall Grants - Transport	-	6,400
Windfall Grants - Biodiversity	6,838	6,838
	<u>45,818</u>	<u>40,490</u>

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

	31.10.18	31.10.17
	£	£
General grants (under £5,000)	24,954	17,252
Hyndburn Leisure	-	10,000
Martholme Greenway	-	6,400
Ribble Rivers Trust	6,838	6,838
The Dog Inn (Belthorn) Ltd	7,026	-
Oswaldtwistle Social Club	7,000	-
	<u>45,818</u>	<u>40,490</u>

8. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Accountancy Fees	-	1,920	1,920
Environmental Projects	-	1,168	1,168
General Costs	-	55	55
Environmental Awareness	-	2,459	2,459
Windfall	-	13,266	13,266
Charity Manager	27,771	-	27,771
Natural Heritage	-	900	900
	<u>27,771</u>	<u>19,768</u>	<u>47,539</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 October 2018 nor for the year ended 31 October 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 October 2018 nor for the year ended 31 October 2017.

10. STAFF COSTS

	31.10.18	31.10.17
	£	£
Wages and salaries	110,725	111,692
Social security costs	9,544	9,796
Other pension costs	1,759	932
	<u>122,028</u>	<u>122,420</u>

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

	31.10.18	31.10.17
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 £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3,357	-	3,357
Charitable activities			
Environmental Projects	-	184,017	184,017
Investment income	777	340	1,117
Other income	<u>800</u>	<u>16,135</u>	<u>16,935</u>
Total	4,934	200,492	205,426

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Accountancy Fees	456	1,464	1,920
Environmental Projects	-	8,287	8,287
General Costs	3,862	-	3,862
Environmental Awareness	-	16,490	16,490
Windfall	-	48,878	48,878
Charity Manager	-	34,927	34,927
Windfall Grants - Various	-	17,252	17,252
Connecting with Nature	-	11,060	11,060
Rewilding	-	22,821	22,821
Natural Heritage	-	30,040	30,040
Whinney Hill	-	34,164	34,164
Windfall Grants - Energy	-	10,000	10,000
Windfall Grants - Transport	-	6,400	6,400
Windfall Grants - Biodiversity	-	6,838	6,838
Total	4,318	248,621	252,939
NET INCOME/(EXPENDITURE)	616	(48,129)	(47,513)
Transfers between funds	(3,466)	3,466	-
Net movement in funds	(2,850)	(44,663)	(47,513)
RECONCILIATION OF FUNDS			
Total funds brought forward	87,607	118,009	205,616
TOTAL FUNDS CARRIED FORWARD	84,757	73,346	158,103

12. TANGIBLE FIXED ASSETS

	Freehold land £
COST	
At 1 November 2017 and 31 October 2018	15,000
NET BOOK VALUE	
At 31 October 2018	15,000
At 31 October 2017	15,000

The Prospects Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.18	31.10.17
	£	£
Other debtors	447	430
	<u> </u>	<u> </u>

14. CURRENT ASSET INVESTMENTS

	31.10.18	31.10.17
	£	£
Other	25	25
	<u> </u>	<u> </u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.18	31.10.17
	£	£
Accrued expenses	8,920	7,520
	<u> </u>	<u> </u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.10.18	31.10.17
	£	£
Within one year	8,000	8,000
Between one and five years	1,650	1,650
	<u> </u>	<u> </u>
	9,650	9,650
	<u> </u>	<u> </u>

17. MOVEMENT IN FUNDS

	At 1.11.17	Net movement	Transfers	At 31.10.18
	£	in funds	between funds	£
		£	£	
Unrestricted funds				
General fund	84,757	(20,342)	-	64,415
Restricted funds				
Other Project Costs	28,011	6,723	2,000	36,734
Environmental Awareness	1,643	(2,434)	15,939	15,148
Windfall	34,353	36,639	(40,469)	30,523
Charity Manager	-	14,118	15,102	29,220
Rewilding	7,053	256	7,428	14,737
Natural Heritage	2,286	2,892	-	5,178
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	73,346	58,194	-	131,540
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>158,103</u>	<u>37,852</u>	<u>-</u>	<u>195,955</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

17. **MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,067	(25,409)	(20,342)
Restricted funds			
Other Project Costs	20,219	(13,496)	6,723
Environmental Awareness	19,887	(22,321)	(2,434)
Windfall	133,074	(96,435)	36,639
Charity Manager	30,902	(16,784)	14,118
Rewilding	15,431	(15,175)	256
Natural Heritage	35,720	(32,828)	2,892
	255,233	(197,039)	58,194
TOTAL FUNDS	260,300	(222,448)	37,852

Comparatives for movement in funds

	At 1.11.16 £	Net movement in funds £	Transfers between funds £	At 31.10.17 £
Unrestricted Funds				
General fund	87,607	616	(3,466)	84,757
Restricted Funds				
Community Projects	2,502	43	1,748	4,293
Other Project Costs	22,402	3,064	(1,748)	23,718
Environmental Awareness	17,380	(15,737)	-	1,643
Windfall	6,599	38,636	(10,882)	34,353
Charity Manager	3,709	(7,175)	3,466	-
Connecting with Nature	2,494	(2,866)	372	-
Rewilding	19,021	(22,478)	10,510	7,053
Natural Heritage	32,560	(30,274)	-	2,286
Whinney Hill	11,342	(11,342)	-	-
	118,009	(48,129)	3,466	73,346
TOTAL FUNDS	205,616	(47,513)	-	158,103

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,934	(4,318)	616
Restricted funds			
Community Projects	43	-	43
Other Project Costs	11,351	(8,287)	3,064
Environmental Awareness	945	(16,682)	(15,737)
Windfall	128,388	(89,752)	38,636
Charity Manager	28,059	(35,234)	(7,175)
Connecting with Nature	8,194	(11,060)	(2,866)
Rewilding	540	(23,018)	(22,478)
Natural Heritage	150	(30,424)	(30,274)
Whinney Hill	22,822	(34,164)	(11,342)
	200,492	(248,621)	(48,129)
TOTAL FUNDS	<u>205,426</u>	<u>(252,939)</u>	<u>(47,513)</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 October 2018.