

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 2019
for
The Prospects Foundation

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

The Prospects Foundation

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for the Year Ended 31 October 2019

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The Prospects Foundation

Reference and Administrative Details
for the Year Ended 31 October 2019

TRUSTEES	Mr P Vincent-Barwood Mr C Cooper Mr N Cort Mr P Gott (resigned 18.11.19) Mr S Hemingway Ms C Holmes Mr W Matthews (resigned 23.9.19) Cllr M Parkinson Mrs M Worden Mr P Worswick Cllr S Button Mr R Cunliffe (appointed 23.9.19)
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

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2019

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 2019. 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 2019

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.

The first two months of this reporting period was taken up with the completion of the 'Improving Hyndburn's Wildlife' programme which was funded by the Postcode Local Trust and the Windfall Fund. 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. The balance of income over expenditure at the end of the project period i.e. end December 2018 was carried forward to continue funding the post until June 2019. During this time the focus was on walking and cycling and this continued after July when further funding was received from Awards for All and another Windfall Fund grant. The post has also developed a partnership with the Canal and River Trust and ran bi-monthly work parties along the Leeds & Liverpool Canal making improvements to the towpath.

During the year we received income of £16,860 for the programme, made up of £10,000 from the Postcode Local Trust, £4,460 from the Windfall Fund and £2,400 from Lancashire County Council. Expenditure incurred amounted to £20,738.

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 £137,300 for the Windfall Fund. This was made up of the payment from EnergieKontor £136,900 plus £400 for leading visits to the wind farm. Total expenditure during the year amounted to £142,524 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 27 grants were awarded. Payments made during the year included £9,000 towards a grant awarded in 2017/18 plus a further £44,187 for grants awarded in 2017/18 and thirteen Mini grants totalling £3,071. This amounts to £56,258 in total.

In addition, £35,243 was paid to The PROSPECTS Foundation towards the Environmental Awareness, Hyndburn Woodlands, Schools and Conservation and Charity Manager programmes. In total therefore £91,501 was paid out during the year.

During the summer of 2019 there were two school/community visits to the wind farm by Peel Park Primary School and the 1st North East Lancashire Baden Powell Scout Group.

c. Connecting People to Hyndburn's Natural Heritage

This programme ended in January 2019. The programme was 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 was 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. Another key aspect of the programme was to involve local people and this was achieved through a varied programme of learning activities based around conservation and natural heritage.

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2019

During the year the programme received income of £8,930 from the Heritage Lottery Fund and expenditure totalled £12,468.

d. Rewilding Hyndburn's Green Spaces

This programme started in October 2016 and, due to successful funding bids during the year, has now been extended until summer 2021.

The aim of the programme has been to create and enhance habitats for wildlife on 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 income received totalled just £946 as the balance was received in the previous financial year. The income was received from organisations supported by the programme and were either for materials or additional support. Expenditure incurred totalled £15,912.

e. Social Enterprise Development Initiative

During the year the Charity Manager post provided support to two social enterprises linked to the charity. This support consisted of administration, funding and strategic development support for an ethical retail shop, One Planet (Accrington) Limited and a woodland management community interest company called Woody (Hyndburn) C.I.C. The support for One Planet ended at the end of September 2019 but the support for Woody continues and is funded by the enterprise.

f. Whinney Hill Phase 2

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

Income received during the year was £8,435 consisting of £7,633 from Lancashire Environmental Fund and £802 from Lancashire County Council. Expenditure totalled £9,904.

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 with the Council for the site that will expire in August 2031. The site is used on a day to day basis to facilitate horticultural training and day care services for people with learning difficulties. During the year the provider of this service changed as Bootstrap Enterprises went into administration. The new provider is a social enterprise called Tinker Brook Support Services C.I.C. (Company Reg. No 11839753) and was set up by ex-Bootstrap staff who wanted to continue the service.

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.

The Prospects Foundation

Report of the Trustees for the Year Ended 31 October 2019

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 The National Lottery Heritage Fund, Tesco Bags of Help, National Lottery Community Fund Awards for All, D'Oyly Carte Charitable Fund, Lancashire Environmental Fund, Neighbourly and the Co-op Local Community Fund.

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) C.I.C. to help further the adoption of the County Council woodlands.

The work to potentially take on the management responsibility from Lancashire County Council for 8 woodland sites in Hyndburn is ongoing and is included as part of the National Lottery Heritage Fund project.

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 Management Committee took the decision to start the process of changing the formal structure of The PROSPECTS Foundation from a registered charity and company limited by guarantee to a Charitable Incorporated Organisation (CIO). The advantages of this new structure include the fact that accounts will only have to be filed with the Charity Commission and not with Companies House as well; there will be no dual regulation; Trustees will still benefit from limited liability; and the structure is specifically designed for charities. This process is ongoing and hopefully will be complete in the next financial year.

We also held a very successful 21st anniversary celebration event on the new Town Square in Accrington. 14 environmental organisations were involved with stalls and activities and many stall holders actively engaged with over 100 people. We gave out 250 goody bags and made more than 50 bug hotels with children.

During the year we also developed and launched a new website giving a much brighter and more informative welcome to the organisation.

During the year the Charity Manager post was funded by funds brought forward from the previous year plus management fees of £1,327, a grant from the Windfall Fund of £5,470, a grant of £457 from the Woodland Trust, a grant of £800 from Neighbourly, a contribution from Woody (Hyndburn) C.I.C. of £3,139 towards support provided in developing the social enterprise and finally £3,322 from charity reserves.

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.

During the year we were awarded Windfall funding to help re-invigorate the Panel structure; look at ways of working more closely with Panels; re-engage and revitalise the link between Panels and The Foundation; and review the Panel / Forum structure to establish if the model is still relevant. To this end we held two workshops, with an outside facilitator, to kick-start the process and since then have identified a number of Panel / Forum projects that will be supported.

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.

FINANCIAL REVIEW

Financial position

The attached statements show the current state of the finances.

Total incoming resources decreased from £260,300 to £251,886, a decrease of £8,414 from the previous year. The total resources expended increased from £222,448 to £254,615 an increase of £32,167 from the previous year. The net outgoing resources for the year were £2,729.

Restricted income for specific activities totalled £232,967 and total restricted expenditure was £247,173. The overall balance on restricted funds was £117,334 at the 31st October 2019. The size of the balance is due to grants 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 £63,500). During the year the unrestricted reserves increased from £64,415 to £75,892. This includes £15,025 tied up in fixed assets. Hence, the free reserves amount to £60,867.

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 Limited Company Charity into a Charitable Incorporated Organisation

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, particularly around safeguarding.
- 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 2019/2020 includes:

- Generate new project ideas according to Common Purpose/Climate Change discussions & new medium-term plan
- Increase PROSPECTS Foundation membership
- Continue the closer working with the PROSPECTS Panels
- Improve and update our social media platforms including our website, Facebook and Twitter accounts and hold social media training for staff, trustees and Panel members
- Hold a summer 2020 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;
- Waste and Recycling - identifying more ways of reducing, reusing and recycling our waste;

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Report of the Trustees for the Year Ended 31 October 2019

- 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 Trustees

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

- Background information about The PROSPECTS Foundation
- Roles & Responsibilities of Trustees
- Organisational Chart
- Charity Commission leaflet 'Responsibilities of Charity Trustees'.
- Appropriate training is arranged for Trustees, following consultation on their training needs.

Organisational structure

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

Relationships with related parties **The PROSPECTS Panels**

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

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 25th March 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Vincent-Barwood', with a stylized flourish at the end.

Mr P Vincent-Barwood - Trustee

The Prospects Foundation

Statement of Trustees' Responsibilities for the Year Ended 31 October 2019

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 2019.

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
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25th March 2020

The Prospects Foundation

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 October 2019

	Notes	Unrestricted fund £	Restricted funds £	31.10.19 Total funds £	31.10.18 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	3,000	-	3,000	3,010
Charitable activities	4				
Environmental Projects		-	228,484	228,484	238,170
Investment income	3	1,425	334	1,759	1,668
Other income		<u>14,494</u>	<u>4,149</u>	<u>18,643</u>	<u>17,452</u>
Total		18,919	232,967	251,886	260,300
EXPENDITURE ON					
Charitable activities	5				
Accountancy Fees		597	1,463	2,060	1,920
Environmental Projects		-	22,394	22,394	13,496
General Costs		3,548	-	3,548	4,095
Environmental Awareness		-	20,571	20,571	22,091
Windfall		-	51,023	51,023	50,233
Charity Manager		3,297	39,661	42,958	37,332
Windfall Grants - Various		-	15,936	15,936	24,954
Windfall Grants - Environmental Awareness		-	5,498	5,498	-
Rewilding		-	15,912	15,912	15,019
Connecting People to Hyndburn's Natural Heritage		-	12,468	12,468	32,444
Windfall Grants - Energy		-	10,200	10,200	14,026
Windfall Grants - Local Food		-	9,000	9,000	-
Windfall Grants - Transport		-	7,807	7,807	-
Windfall Grants - Biodiversity		-	7,817	7,817	6,838
Community & Schools Conservation		-	14,661	14,661	-
Habitats & Heritage in Hyndburn		-	12,762	12,762	-
Total		7,442	247,173	254,615	222,448
NET INCOME/(EXPENDITURE)		11,477	(14,206)	(2,729)	37,852
RECONCILIATION OF FUNDS					
Total funds brought forward		64,415	131,540	195,955	158,103
TOTAL FUNDS CARRIED FORWARD		<u>75,892</u>	<u>117,334</u>	<u>193,226</u>	<u>195,955</u>

The notes form part of these financial statements

The Prospects Foundation

Balance Sheet
31 October 2019

	Notes	Unrestricted fund £	Restricted funds £	31.10.19 Total funds £	31.10.18 Total funds £
FIXED ASSETS					
Tangible assets	12	15,000	-	15,000	15,000
CURRENT ASSETS					
Debtors	13	-	-	-	447
Investments	14	25	-	25	25
Cash at bank		<u>71,267</u>	<u>117,334</u>	<u>188,601</u>	<u>189,403</u>
		71,292	117,334	188,626	189,875
CREDITORS					
Amounts falling due within one year	15	(10,400)	-	(10,400)	(8,920)
NET CURRENT ASSETS		<u>60,892</u>	<u>117,334</u>	<u>178,226</u>	<u>180,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,892</u>	<u>117,334</u>	<u>193,226</u>	<u>195,955</u>
NET ASSETS		<u>75,892</u>	<u>117,334</u>	<u>193,226</u>	<u>195,955</u>
FUNDS	17				
Unrestricted funds				75,892	64,415
Restricted funds				<u>117,334</u>	<u>131,540</u>
TOTAL FUNDS				<u>193,226</u>	<u>195,955</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 provisions applicable to charitable companies subject to the small companies regime.



Mr P Vincent-Barwood - Trustee

The notes form part of these financial statements

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.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

2. DONATIONS AND LEGACIES

	31.10.19	31.10.18
	£	£
Employment Allowance	3,000	3,000
Donations	-	10
	<u>3,000</u>	<u>3,010</u>

3. INVESTMENT INCOME

	31.10.19	31.10.18
	£	£
Bank interest received	<u>1,759</u>	<u>1,668</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.10.19	31.10.18
		£	£
Recharges of expenditure	Environmental Projects	1,956	4,155
Bootstrap Enterprises	Environmental Projects	6,000	6,000
Grants	Environmental Projects	<u>220,528</u>	<u>228,015</u>
		<u>228,484</u>	<u>238,170</u>

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

	31.10.19	31.10.18
	£	£
Energiekontor	137,300	132,663
Local Authority Grants	12,291	10,132
National Lottery Awards for All	10,000	10,000
Lancashire Environmental Fund	-	2,695
Woodland Trust	457	4,118
Postcode Local Trust	-	19,887
Woody (Hyndburn) C.I.C.	-	10,000
National Lottery Heritage Fund	56,480	35,720
Co-op Local Community Fund	-	2,800
Tesco Bags of Help	1,000	-
D'Oyly Carte Charitable Trust	<u>3,000</u>	<u>-</u>
	<u>220,528</u>	<u>228,015</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Accountancy Fees	-	-	2,060	2,060
Environmental Projects	21,594	-	800	22,394
General Costs	3,548	-	-	3,548
Environmental Awareness	19,045	-	1,526	20,571
Windfall	37,333	-	13,690	51,023
Charity Manager	19,584	-	23,374	42,958
Windfall Grants - Various	-	15,936	-	15,936
Windfall Grants – Environ. Awareness	-	5,498	-	5,498
Rewilding	15,700	-	212	15,912
Connecting People to Hyndburn's Natural Heritage	9,299	-	3,169	12,468
Windfall Grants - Energy	-	10,200	-	10,200
Windfall Grants - Local Food	-	9,000	-	9,000
Windfall Grants - Transport	-	7,807	-	7,807
Windfall Grants - Biodiversity	-	7,817	-	7,817
Community & Schools Conservation	14,661	-	-	14,661
Habitats & Heritage in Hyndburn	11,660	-	1,102	12,762
	<u>152,424</u>	<u>56,258</u>	<u>45,933</u>	<u>254,615</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.10.19 £	31.10.18 £
Staff costs	105,133	96,885
Staff training	882	1,495
Travel and subsistence	1,019	1,894
Rent	16,876	13,461
Insurance	2,810	2,653
Promotional Materials	7,580	4,506
Office expenses	5,473	4,671
Equipment & Communications	1,168	-
Promotional expenses	948	235
Environmental works	10,535	3,291
	<u>152,424</u>	<u>129,091</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

7. GRANTS PAYABLE

	31.10.19	31.10.18
	£	£
Windfall Grants - Various	15,936	24,954
Windfall Grants - Environmental Awareness	5,498	-
Windfall Grants - Energy	10,200	14,026
Windfall Grants - Local Food	9,000	-
Windfall Grants - Transport	7,807	-
Windfall Grants - Biodiversity	<u>7,817</u>	<u>6,838</u>
	<u>56,258</u>	<u>45,818</u>

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

	31.10.19	31.10.18
	£	£
General grants (under £5,000)	15,936	24,954
Ribble Rivers Trust	-	6,838
The Dog Inn (Belthorn) Ltd	-	7,026
Oswaldtwistle Social Club	-	7,000
Carers Link Lancashire	9,000	-
Stanhill Social Club	10,200	-
Cycling Projects	7,807	-
Lancashire Wildlife Trust	7,817	-
Adventure Hyndburn	<u>5,498</u>	<u>-</u>
	<u>56,258</u>	<u>45,818</u>

8. SUPPORT COSTS

	Management	Governance	Totals
	£	costs £	£
Accountancy Fees	-	2,060	2,060
Environmental Projects	-	800	800
Environmental Awareness	-	1,526	1,526
Windfall	-	13,690	13,690
Charity Manager	23,374	-	23,374
Rewilding	-	212	212
Connecting People to Hyndburn's Natural Heritage	-	3,169	3,169
Habitats & Heritage in Hyndburn	<u>-</u>	<u>1,102</u>	<u>1,102</u>
	<u>23,374</u>	<u>22,559</u>	<u>45,933</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 October 2019 nor for the year ended 31 October 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 October 2019 nor for the year ended 31 October 2018.

10. STAFF COSTS

	31.10.19	31.10.18
	£	£
Wages and salaries	112,024	110,725
Social security costs	9,634	9,544
Other pension costs	<u>2,893</u>	<u>1,759</u>
	<u>124,731</u>	<u>122,028</u>

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

	31.10.19	31.10.18
	<u>5</u>	<u>5</u>
Charitable activities		

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	3,010	-	3,010
Charitable activities			
Environmental Projects	-	238,170	238,170
Investment income	1,257	411	1,668
Other income	<u>800</u>	<u>16,652</u>	<u>17,452</u>
Total	5,067	255,233	260,300
EXPENDITURE ON			
Charitable activities			
Accountancy Fees	629	1,291	1,920
Environmental Projects	-	13,496	13,496
General Costs	4,095	-	4,095
Environmental Awareness	-	22,091	22,091
Windfall	-	50,233	50,233
Charity Manager	20,685	16,647	37,332
Windfall Grants - Various	-	24,954	24,954
Rewilding	-	15,019	15,019
Connecting People to Hyndburn's Natural Heritage	-	32,444	32,444
Windfall Grants - Energy	-	14,026	14,026
Windfall Grants - Biodiversity	-	6,838	6,838

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Total	25,409	197,039	222,448
NET INCOME/(EXPENDITURE)	(20,342)	58,194	37,852
RECONCILIATION OF FUNDS			
Total funds brought forward	84,757	73,346	158,103
TOTAL FUNDS CARRIED FORWARD	<u>64,415</u>	<u>131,540</u>	<u>195,955</u>

12. TANGIBLE FIXED ASSETS

	Freehold land £
COST	
At 1 November 2018 and 31 October 2019	<u>15,000</u>
NET BOOK VALUE	
At 31 October 2019	<u>15,000</u>
At 31 October 2018	<u>15,000</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.19 £	31.10.18 £
Other debtors	<u>-</u>	<u>447</u>

14. CURRENT ASSET INVESTMENTS

	31.10.19 £	31.10.18 £
Other	<u>25</u>	<u>25</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.19	31.10.18
	£	£
Accrued expenses	<u>10,400</u>	<u>8,920</u>

16. LEASING AGREEMENTS

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

	31.10.19	31.10.18
	£	£
Within one year	7,500	8,000
Between one and five years	<u>1,650</u>	<u>1,650</u>
	<u>9,150</u>	<u>9,650</u>

17. MOVEMENT IN FUNDS

	At 1.11.18 £	Net movement in funds £	Transfers between funds £	At 31.10.19 £
Unrestricted funds				
General fund	64,415	11,477	-	75,892
Restricted funds				
Other Project Costs	36,734	(2,631)	(6,460)	27,643
Environmental Awareness	15,148	(8,338)	4,460	11,270
Windfall	30,523	29,941	(35,243)	25,221
Charity Manager	29,220	(34,690)	5,470	-
Rewilding	14,737	(15,133)	-	(396)
Connecting People to Hyndburn's Natural Heritage	5,178	(3,082)	(2,096)	-
Habitats & Heritage in Hyndburn	-	34,548	19,048	53,596
Community & Schools Conservation	-	<u>(14,821)</u>	<u>14,821</u>	-
	<u>131,540</u>	<u>(14,206)</u>	-	<u>117,334</u>
TOTAL FUNDS	<u>195,955</u>	<u>(2,729)</u>	-	<u>193,226</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

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	18,919	(7,442)	11,477
Restricted funds			
Other Project Costs	19,763	(22,394)	(2,631)
Environmental Awareness	12,400	(20,738)	(8,338)
Windfall	137,634	(107,693)	29,941
Charity Manager	5,276	(39,966)	(34,690)
Rewilding	946	(16,079)	(15,133)
Connecting People to Hyndburn's Natural Heritage	9,398	(12,480)	(3,082)
Habitats & Heritage in Hyndburn	47,550	(13,002)	34,548
Community & Schools Conservation	-	(14,821)	(14,821)
	<u>232,967</u>	<u>(247,173)</u>	<u>(14,206)</u>
TOTAL FUNDS	<u>251,886</u>	<u>(254,615)</u>	<u>(2,729)</u>

Comparatives for movement in funds

	At 1.11.17 £	Net movement in funds £	Transfers between funds £	At 31.10.18 £
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
Connecting People to Hyndburn's Natural Heritage	<u>2,286</u>	<u>2,892</u>	<u>-</u>	<u>5,178</u>
	<u>73,346</u>	<u>58,194</u>	<u>-</u>	<u>131,540</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 2019

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	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
Connecting People to Hyndburn's Natural Heritage	<u>35,720</u>	<u>(32,828)</u>	<u>2,892</u>
	<u>255,233</u>	<u>(197,039)</u>	<u>58,194</u>
TOTAL FUNDS	<u>260,300</u>	<u>(222,448)</u>	<u>37,852</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.11.17 £	Net movement in funds £	Transfers between funds £	At 31.10.19 £
Unrestricted funds				
General fund	84,757	(8,865)	-	75,892
Restricted funds				
Other Project Costs	28,011	4,092	(4,460)	27,643
Environmental Awareness	1,643	(10,772)	20,399	11,270
Windfall	34,353	66,580	(75,712)	25,221
Charity Manager	-	(20,572)	20,572	-
Rewilding	7,053	(14,877)	7,428	(396)
Connecting People to Hyndburn's Natural Heritage	2,286	(190)	(2,096)	-
Habitats & Heritage in Hyndburn	-	34,548	19,048	53,596
Community & Schools Conservation	<u>-</u>	<u>(14,821)</u>	<u>14,821</u>	<u>-</u>
	<u>73,346</u>	<u>43,988</u>	<u>-</u>	<u>117,334</u>
TOTAL FUNDS	<u>158,103</u>	<u>35,123</u>	<u>-</u>	<u>193,226</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	23,986	(32,851)	(8,865)
Restricted funds			
Other Project Costs	39,982	(35,890)	4,092
Environmental Awareness	32,287	(43,059)	(10,772)
Windfall	270,708	(204,128)	66,580
Charity Manager	36,178	(56,750)	(20,572)
Rewilding	16,377	(31,254)	(14,877)
Connecting People to Hyndburn's Natural Heritage	45,118	(45,308)	(190)
Habitats & Heritage in Hyndburn	47,550	(13,002)	34,548
Community & Schools Conservation	-	(14,821)	(14,821)
	<u>488,200</u>	<u>(444,212)</u>	<u>43,988</u>
TOTAL FUNDS	<u>512,186</u>	<u>(477,063)</u>	<u>35,123</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 October 2019.