

Registered number: 03364165
Charity number: 1063842

Action for Borstal Community Project
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

for the year ended 31 March 2017



Action for Borstal Community Project
(A company limited by guarantee)

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Action for Borstal Community Project
(A company limited by guarantee)

**Reference and administrative details of the company, its trustees and advisers
for the year ended 31 March 2017**

Trustees

E Baker
C McCann
K Whitby, Chair
J Aylward

Company registered number

03364165

Charity registered number

1063842

Registered office

13 & 14 Mercury Close
Borstal
Rochester
Kent
ME1 3AT

Company secretary

Mrs L Kain

Chief executive officer

Mrs L Kain

Accountants

Kreston Reeves LLP
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Cafcash Limited
Kings Hill
West Malling
Kent
ME19 4TA

Action for Borstal Community Project
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2017

The Trustees present their annual report together with the financial statements of the charity for the ended 31 March 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The Objects of the Charity are the advancement of education, the preservation and protection of health, the relief of poverty, sickness and distress and the provision of support for the benefit of local children, parents and other residents of Borstal and the City of Rochester, Kent.

The principal activities by which the Objects are pursued are:

- The running of a Family Centre providing a play group for toddlers and children and training courses for local parents;
- To undertake local public community development projects.

The charity's registered number is 1063842 and the address of the Registered office is ABC Centre, 13-14 Mercury Close, Borstal, Rochester, Kent ME1 3AT.

There have been no changes in the objectives since the last annual report.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities for the year.

b. Volunteers

The company is grateful for the unstinting efforts of its volunteers during the year. No remuneration is paid to them, expenses have been reimbursed.

Achievements and performance

a. Review of activities

Funding for this year has been negatively impacted by the withdrawal of financial support by Medway Council.

We have seen a drop in children on roll with 34 children currently in attendance. This reduction was the result, in part, to staff changes which had an impact on recruitment.

Staffing in the pre school has remained consistent with one new member of staff appointed to accommodate increase in sessions offered; some members of staff have had an increase in contracted hours although remained at a level that allows adjustments to be made where necessary to meet business needs.

Financially the project has suffered some short term cash flow problems due to the withdrawal of funding but that has been managed to ensure that the service was not impacted, accommodation is still provided free of charge by MHS homes under the 3 year tenancy agreed last year.

Action for Borstal Community Project
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2017

Financial review

a. Going concern

Notwithstanding the overdrawn unrestricted funds at the balance sheet date of £2,141, the accounts have been prepared on a going concern basis. The justification for this treatment is as follows:

The principal risk facing the charitable company is its ability to generate sufficient income, particularly in light of the loss of the Local Authority funding, to cover the expenditure incurred in fulfilling the objectives of the charitable company.

The Trustees have implemented a series of cost-cutting and income generating measures in order to rectify the financial issues. Cost-cutting measures include the renegotiation of employment contracts, resulting in significantly reduced salaries. The income generating measures include striving to improve roll numbers and seeking to attract new funding streams.

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets and long-term liabilities as current liabilities.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 1 May 1997.

The company is constituted under a Memorandum of Association and is a registered charity number 1063842.

b. Method of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Enquiries

Any enquiries concerning the charity should be addressed to the principal office at 13-14 Mercury Close, Borstal, Rochester, Kent.

d. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

a. Future developments

Due to staff leave and short term cash flow issues, it has not been possible to recruit an assistant and build our reserves. That is still a key strategy and to that end we have recruited a volunteer with Finance experience to review the project. In conjunction with Medway Council, the Trustees have developed a 5-year plan to secure funding and build that reserve.

Action for Borstal Community Project
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 March 2017

Trustees' responsibilities statement

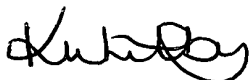
The Trustees (who are also directors of Action for Borstal Community Project for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 07-12-17 and signed on their behalf by:



K Whitby, Chair

Action for Borstal Community Project
(A company limited by guarantee)

Independent examiner's report
for the year ended 31 March 2017

Independent examiner's report to the Trustees of Action for Borstal Community Project (the 'company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2017.

Responsibilities and basis of report

As the Trustees of the company (and 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 the company's accounts 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

I have completed my examination. I confirm that no matters, other than those fully detailed below, have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

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 confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Emphasis of matter

We draw attention to note 1.3 to the financial statements which sets out the uncertainty in relation to the charity's ability to continue as a going concern.

Signed:



Dated: 11 December 2017

S Robinson BA FCA FCIE DChA MCMI

Kreston Reeves LLP
Chartered Accountants
Chatham Maritime

Action for Borstal Community Project
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
for the year ended 31 March 2017

	Note	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:				
Donations and legacies	2	98,171	98,171	117,206
Charitable activities	3	2,430	2,430	607
Total income		100,601	100,601	117,813
Expenditure on:				
Charitable activities	4	113,916	113,916	125,612
Total expenditure		113,916	113,916	125,612
Net expenditure before other recognised gains and losses		(13,315)	(13,315)	(7,799)
Net movement in funds		(13,315)	(13,315)	(7,799)
Reconciliation of funds:				
Total funds brought forward		11,174	11,174	18,973
Total funds carried forward		(2,141)	(2,141)	11,174

The notes on pages 8 to 15 form part of these financial statements.

Action for Borstal Community Project
(A company limited by guarantee)
Registered number: 03364165

Balance sheet
as at 31 March 2017

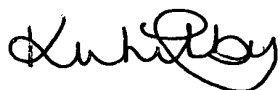
	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	6		544		1
Current assets					
Cash at bank and in hand		874		12,262	
Creditors: amounts falling due within one year	7	(3,559)		(1,089)	
Net current (liabilities)/assets			(2,685)		11,173
Net (liabilities)/assets			(2,141)		11,174
Charity Funds					
Unrestricted funds	9		(2,141)		11,174
Total (deficit)/funds			(2,141)		11,174

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 07 - 12 - 17 and signed on their behalf, by:



K Whitby, Chair

The notes on pages 8 to 15 form part of these financial statements.

Action for Borstal Community Project
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Action for Borstal Community Project meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.3 Going concern

Notwithstanding the overdrawn unrestricted funds at the balance sheet date of £2,141, the accounts have been prepared on a going concern basis. The justification for this treatment is as follows:

The principal risk facing the charitable company is its ability to generate sufficient income, particularly in light of the loss of the Local Authority funding, to cover the expenditure incurred in fulfilling the objectives of the charitable company.

The Trustees have implemented a series of cost-cutting and income generating measures in order to rectify the financial issues. Cost-cutting measures include the renegotiation of employment contracts, resulting in significantly reduced salaries. The income generating measures include striving to improve roll numbers and seeking to attract new funding streams.

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets and long-term liabilities as current liabilities.

Action for Borstal Community Project
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Notes to the financial statements
for the year ended 31 March 2017

1. Accounting policies (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Charitable activities are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	20% straight line
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1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Action for Borstal Community Project
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2017

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Action for Borstal Community Project
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2017

2. Income from donations and legacies

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	14,000	14,000	14,000
Grants	4,022	4,022	7,570
Government grants	80,149	80,149	95,636
	<hr/>	<hr/>	<hr/>
Total donations and legacies	98,171	98,171	117,206
	<hr/>	<hr/>	
<i>Total 2016</i>	117,206	117,206	
	<hr/>	<hr/>	

3. Income from charitable activities

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fees receivable	2,430	2,430	607
	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	607	607	
	<hr/>	<hr/>	

Action for Borstal Community Project
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Notes to the financial statements
for the year ended 31 March 2017

4. Direct costs

	Total 2017 £	Total 2016 £
Rent and rates	14,431	12,545
Heat and light	1,628	2,540
Telephone and internet	5,011	4,191
Insurances	576	562
Printing, postage and stationery	665	2,057
Legal and professional	805	1,155
Premises costs	578	948
Bank charges	25	101
Subscriptions	165	-
Sundry expenses	792	2,632
Staff training	226	717
Equipment	1,350	4,049
Wages and salaries	87,528	93,888
National insurance	-	227
Depreciation	136	-
	<u>113,916</u>	<u>125,612</u>
<i>At 31 March 2016</i>	<u>125,612</u>	

5. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	87,528	93,888
Social security costs	-	227
	<u>87,528</u>	<u>94,115</u>

The average number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
Direct Staff	12	13

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration and benefits received by key management personnel amounted to £17,862, including employer's national insurance contributions of £1,189 (2016: 20,874, including employer's national insurance contributions of £1,551).

Action for Borstal Community Project
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Notes to the financial statements
for the year ended 31 March 2017

6. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 1 April 2016	14,680
Additions	679
Disposals	(132)
At 31 March 2017	<u>15,227</u>
Depreciation	
At 1 April 2016	14,679
Charge for the year	136
On disposals	(132)
At 31 March 2017	<u>14,683</u>
Net book value	
At 31 March 2017	<u>544</u>
At 31 March 2016	<u>1</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	-	219
Other creditors	2,779	90
Accruals and deferred income	780	780
	<u>3,559</u>	<u>1,089</u>

8. Financial instruments

	2017 £	2016 £
Financial assets measured at amortised cost	<u>874</u>	<u>12,262</u>
Financial liabilities measured at amortised cost	<u>780</u>	<u>780</u>

Financial assets measured at amortised cost comprise cash at bank and in hand.

Financial liabilities measured at amortised cost comprise accruals.

Action for Borstal Community Project
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2017

9. Statement of funds

Statement of funds - current year

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
Unrestricted funds				
General funds	<u>11,174</u>	<u>100,601</u>	<u>(113,916)</u>	<u>(2,141)</u>

Statement of funds - prior year

	Balance at 1 April 2015 £	Income £	Expenditure £	Balance at 31 March 2016 £
Unrestricted funds				
General funds	18,973	117,813	(125,612)	11,174
	<u>18,973</u>	<u>117,813</u>	<u>(125,612)</u>	<u>11,174</u>
 Total of funds	 <u>18,973</u>	 <u>117,813</u>	 <u>(125,612)</u>	 <u>11,174</u>

Action for Borstal Community Project
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2017

10. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £
Tangible fixed assets	544
Current assets	873
Creditors due within one year	(3,558)
	<hr/> (2,141) <hr/>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £
Tangible fixed assets	1
Current assets	12,262
Creditors due within one year	(1,089)
	<hr/> 11,174 <hr/>

11. Related party transactions

There have not been any related party transactions during the year.

12. Limited liability status

Action for Borstal Community is a company limited by guarantee. The liability of the members is limited to an amount not exceeding £10 in the case of a winding up of the charity.

If the company is dissolved, after settlement of all debts and liabilities, and there remains any property it shall be transferred to some other charity or charities having objects similar to those of the Action for Borstal Community and which prohibits the distribution of its assets or their income and property to an extent at least as great as that imposed on the Action for Borstal Community by clause 5 of its objects.