

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended
30 September 2015
for**

The Pump (East Birmingham) Limited

Locke Williams Associates LLP
Chartered Accountants
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL



The Pump (East Birmingham) Limited

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for the Year Ended 30 September 2015**

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The Pump (East Birmingham) Limited

Report of the Trustees for the Year Ended 30 September 2015

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 30 September 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07077838 (England and Wales)

Registered Charity number
1134459

Registered office
The Pump
286 Kitts Green Road
Birmingham
B33 9SB

Trustees
Ms E J Baylis
Miss L M Edwards
A M Holding
B Summers

Company Secretary
Miss C Gilkes

Independent examiner
Locke Williams Associates LLP
Chartered Accountants
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Bankers
Lloyds TSB

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The project now known as The Pump was initiated by the Prince of Wales to improve the provision for Young people in deprived urban areas. Birmingham City Council took forward the project in close collaboration with the Princes Charities and in consultation with local people, young people in particular. The Centre opened in 2007.

The Trust was established as a Charity in 2009 with the intention of taking over the building via a lease and taking full responsibility for the centre but continuing to operate in a close partnership with the City Council Youth Service. The building lease has been agreed and took effect from May 2013.

Recruitment and appointment of new trustees

The Directors set out above served throughout the period of this report. The Trust also engages public and private sector partners in the management of the project.

The Pump (East Birmingham) Limited

Report of the Trustees for the Year Ended 30 September 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Day to day responsibilities lie with the Project Director, Charlotte Linforth and a small team, made up of delivery staff and support staff. The Project Director reports directly to the Trustees, on all operational activity, financial issues and development of the business plan.

Any major risks and issues form part of the quarterly board meeting, or urgent matters thorough chairs actions and with ISO 9000 recently awarded, the Trust's systems and processes for managing risk is clearly mapped and identified with corrective and preventive actions in place.

Related parties

Key relationship is with Birmingham city council as The Pump is a strategic hub in their structure and houses youth work staff, which in turn generates income.

Changes in youth service funding has meant there is now a greater focus on employment and the shift from universal work to more targeted work with NEETs actually gives a great synergy to the work of The Pump. However, this new focus does give more pressure on evening/ open access delivery, which will in turn present problems of keeping young people safe and off the street at risk of offending.

Our strategic relationship with private sector company, Alcoa plc, is important in terms of profile and funding opportunities.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trusts mission is **to become and beacon and source of inspiration for the personal development of young people**. We have agreed to carry out our work in accordance with a set of core values:

- Inspiration - stimulating learning and encouraging creative thinking.
- Participation - to encourage the active involvement of young people and work in partnership with our local community.
- Equality and diversity - valuing difference and treating everyone with respect and challenging oppression and prejudice.
- Raising aspiration - realising the potential and talents that exist within all young people
- Quality - always looking for new and better ways of working
- Empowerment - placing young people at the heart of decision making by increasing capacity to make informed choices.

Main objectives for the year

- To embed Alternative Provision in the east of Birmingham
- To extend our offer to post 16 - with a focus on skills and training for NEETS
- Increase our status as a music hub offering innovative programmes to engage and support young people.
- Plan for reduced LA grant aid and bridge the gap resulting from proposed cuts
- Maintain and grow hub status, attracting new partners and tenants to the building

**Report of the Trustees
for the Year Ended 30 September 2015**

ACHIEVEMENT AND PERFORMANCE

Achievements for the year

- Cited as a flagship partner in Alcoa's global internship programme, accomplishing 75% success rate of unemployed young people into full time, sustainable employment and or training.
- Part of global impact award for Alcoa helping gain a further two years of funding.
- ICT transition programme implemented giving us independence from the local authority and better organisational safeguards of our data.
- Developed music offer into two year accredited music and employability programmes
- Achieved largest turnover to date for Alternative Provision and significant qualifications gained.

Review of activity

It's been a successful year for the trust winning new work in the post 16 arena, clearly putting us on the map in this area of work and excel in the levels of student attainment in Alternative Provision.

The Trusts music hub status has enabled us to attract additional resources and profile in music, developing innovative approaches to engagement and employability seeing real gain in job outcomes.

Given reduction in grant aid and government cuts we have managed to further move to a model of independence and strengthen the Trusts reserves in a time of austerity.

Key part of the building (young people's space) was out of action for 5 months due to major flood damage in the basement resulting in loss of income and compromised activity.

As we gain more funding, we in turn find ourselves in a position with numerous funding regimes and varying outputs requirements, making the administration heavy. The complexity of the reporting required skills support to the project and delivery team - hence we have appointed a high level administrator to assist. This has been extremely useful and we need to potentially create more capacity in this area.

FINANCIAL REVIEW

Reserves policy

The Trusts policy on reserves has been to maintain a level of reserve sufficient to cover unexpected loss of revenue - grants rents etc. in order to maintain a level of specialism in order to give time to replace income from other sources.

Project reserves are specific to individual projects and are ring-fenced until spend against the project is achieved.

Designated funds are reserved to maintain our levels of activity through stepped cuts in Local Authority funding.

FUTURE DEVELOPMENTS

Given the vulnerability around funding, especially from the City Council, the Trust has commissioned a feasibility study through an external consultant. The study will evolve over a six-month period, though talking to a range of stakeholders, to examine the ways in which the trust operates and what opportunities, threats and new areas of work the organisation can develop.

The Trust would like to grow its offer, giving more opportunity to young people and has identified a number of key areas in which we aim to develop namely:

- Sports - health and wellbeing
- Employability - offering more bespoke training
- Work with schools - offering specialist programmers of work around personal social development and careers advice/support
- To continue to gain quality marks for our work and share the Trusts work to a wider audience.

Given changes in the independent school and AP arena we are having to consider registering with Ofsted, as the prevent agenda and safeguarding becomes a major aspect of the work. The implications for us are capacity, in terms of meeting all the Ofsted regulation and demands and physical building issues, which may need considerable investment in re configuring access.

The Pump (East Birmingham) Limited

**Report of the Trustees
for the Year Ended 30 September 2015**

Approved by order of the board of trustees on 8 June 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Louise M Edwards', with a stylized flourish at the end.

Miss L M Edwards - Trustee

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Independent Examiner's Report to the Trustees of The Pump (East Birmingham) Limited

I report on the accounts for the year ended 30 September 2015 set out on pages six to twelve.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ACA.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Katrina Williams

Katrina Williams ACA
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 Blackthorn House
 St Pauls Square
 Birmingham
 West Midlands
 B3 1RL

The Pump (East Birmingham) Limited

**Statement of Financial Activities
for the Year Ended 30 September 2015**

		Unrestricted funds £	Restricted funds £	30.9.15 Total funds £	30.9.14 Total funds £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	30,234	145,888	176,122	127,642
Activities for generating funds	3	191,670	-	191,670	183,373
Investment income	4	<u>7,388</u>	<u>-</u>	<u>7,388</u>	<u>3,799</u>
Total incoming resources		229,292	145,888	375,180	314,814
RESOURCES EXPENDED					
Charitable activities					
The Pump		<u>171,274</u>	<u>145,888</u>	<u>317,162</u>	<u>318,081</u>
NET INCOMING/(OUTGOING) RESOURCES		58,018	-	58,018	(3,267)
RECONCILIATION OF FUNDS					
Total funds brought forward		92,136	-	92,136	95,403
TOTAL FUNDS CARRIED FORWARD		<u>150,154</u>	<u>-</u>	<u>150,154</u>	<u>92,136</u>

The notes form part of these financial statements

The Pump (East Birmingham) Limited
Balance Sheet (Registered Number: 07077838)
At 30 September 2015

	Notes	Unrestricted funds £	Restricted funds £	30.9.15 Total funds £	30.9.14 Total funds £
CURRENT ASSETS					
Debtors	7	31,017	-	31,017	33,761
Cash at bank		<u>158,132</u>	<u>-</u>	<u>158,132</u>	<u>128,875</u>
		189,149	-	189,149	162,636
CREDITORS					
Amounts falling due within one year	8	<u>(38,995)</u>	<u>-</u>	<u>(38,995)</u>	<u>(70,500)</u>
NET CURRENT ASSETS		<u>150,154</u>	<u>-</u>	<u>150,154</u>	<u>92,136</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>150,154</u>	<u>-</u>	<u>150,154</u>	<u>92,136</u>
NET ASSETS		<u><u>150,154</u></u>	<u><u>-</u></u>	<u><u>150,154</u></u>	<u><u>92,136</u></u>
FUNDS	9				
Unrestricted funds				150,154	92,136
Restricted funds				<u>-</u>	<u>-</u>
TOTAL FUNDS				<u><u>150,154</u></u>	<u><u>92,136</u></u>

The notes form part of these financial statements

The Pump (East Birmingham) Limited

**Balance Sheet - continued
At 30 September 2015**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2015.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 September 2015 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 8 June 2016 and were signed on its behalf by:



Miss L M Edwards -Trustee

The Pump (East Birmingham) Limited

Notes to the Financial Statements for the Year Ended 30 September 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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.

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.

2. VOLUNTARY INCOME

	30.9.15	30.9.14
	£	£
Project grant funding	113,683	112,141
Released from project reserve	<u>62,439</u>	<u>15,501</u>
	<u>176,122</u>	<u>127,642</u>

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

	30.9.15	30.9.14
	£	£
ALCOA	28,784	32,564
Birmingham City Council	62,532	75,880
Community Development Fund	-	2,493
Other grants	5,917	1,204
Lloyds Employability Project	<u>16,450</u>	<u>-</u>
	<u>113,683</u>	<u>112,141</u>

The Pump (East Birmingham) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	30.9.15	30.9.14
	£	£
Rents	47,536	56,377
Room hire	14,229	25,114
Alternative provision	118,827	89,244
Play scheme	3,989	8,562
Other income	7,089	4,076
	<u>191,670</u>	<u>183,373</u>

4. INVESTMENT INCOME

	30.9.15	30.9.14
	£	£
Donated surplus from Café	6,672	3,799
Deposit account interest	716	-
	<u>7,388</u>	<u>3,799</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2015 nor for the year ended 30 September 2014.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2015 nor for the year ended 30 September 2014.

6. STAFF COSTS

	30.9.15	30.9.14
	£	£
Wages and salaries	<u>205,355</u>	<u>193,316</u>

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

	30.9.15	30.9.14
	10	8
All staff	<u>10</u>	<u>8</u>

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

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.15	30.9.14
	£	£
Amounts owed by group undertakings	891	-
Other debtors	<u>30,126</u>	<u>33,761</u>
	<u>31,017</u>	<u>33,761</u>

The Pump (East Birmingham) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.15	30.9.14
	£	£
Social security and other taxes	669	-
Other creditors	9,526	8,061
Accruals and deferred income	<u>28,800</u>	<u>62,439</u>
	<u>38,995</u>	<u>70,500</u>

Deferred income includes project reserves which are specific to individual projects and are ring-fenced until spend against the project is achieved.

	30.9.14	30.9.14
	£	£
Deferred income brought forward	62,439	15,501
Income now released to SoFA	(62,439)	(15,501)
Income received in the year and deferred	27,000	62,439
Deferred income carried forward	<u>27,000</u>	<u>62,439</u>

The total deferred income is made up of the following projects:

	30.9.15	30.9.14
	£	£
Birmingham City Council Arts Project	-	9,588
ESF	-	14,729
Lloyds Employability Project	-	15,079
ALCOA Internship Project	-	23,043
National Foundation for Youth Music	<u>27,000</u>	<u>-</u>
	<u>27,000</u>	<u>62,439</u>

9. MOVEMENT IN FUNDS

	At 1.10.14	Net movement in funds	Transfers between funds	At 30.9.15
	£	£	£	£
Unrestricted funds				
General fund	92,136	58,018	(60,000)	90,154
Local Authority funding	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
	<u>92,136</u>	<u>58,018</u>	<u>-</u>	<u>150,154</u>
TOTAL FUNDS	<u>92,136</u>	<u>58,018</u>	<u>-</u>	<u>150,154</u>

The Pump (East Birmingham) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2015**

9. 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	229,292	(171,274)	58,018
Restricted funds			
Birmingham City Council core funding	62,532	(62,532)	-
Lloyds Bank Employability Project	31,529	(31,529)	-
Alcoa global internship programme	<u>51,827</u>	<u>(51,827)</u>	<u>-</u>
	145,888	(145,888)	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>375,180</u></u>	<u><u>(317,162)</u></u>	<u><u>58,018</u></u>

Transfers between funds

The transfer to designated funds has been made to ring-fence reserves needed to maintain our levels of activity through stepped cuts in LA funding in the next three years.