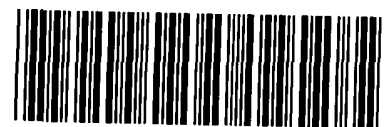


Registered number: 3087221
Charity number: 1048584

THE PROSPECTS TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017

THURSDAY



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THE PROSPECTS TRUST

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31ST MARCH 2017

Trustees

Margaret Bending
Philippa Coates
Daniel Durrant (appointed Chair from 22nd November 2016)
Steve Elstub
Paul Hamer
Dick McMullan (resigned as Chair on 22nd November 2016)
Chris Nicholl (resigned 26th April 2016)
Jane Kershaw (appointed 9th August 2016)
Wendy Little (appointed 9th August 2016 - Treasurer from 22nd November 2016)
Margaret Kerry (appointed 28th February 2017)

Company registered number

3087221

Charity registered number

1048584 (England and Wales)

Registered Office

Snakehall Farm
Swaffham Road
Reach
Cambridge
CB25 0HZ

Company secretary

Rhian Llwyd Elis

Independent Examiner

Nigel A Prentis FCA
For and on behalf of:
Prentis & Co LLP
Chartered Accountants &
Independent Examiners
115c Milton Road
Cambridge
CB4 1XE

Bankers

Barclays Bank
5 Parsonage Lane
Burwell
Cambridgeshire

CAF Bank Limited
25 Kings Hall
West Malling
Kent

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017**Advisors**

Executive Officer and Co-Manager	Rhian Llwyd Elis
Administrator	Sue Rose
Farm Manager and Co-Manager	Mark Cornell
Garden Team Manager and Co-Manager	Tom Cockerton
Development Officer and Co-Manager	Marianne Baker
Support Staff	Hannah Austin Jennifer Jones (Maternity leave) Sarah Keutgen Neil Wicks Julie Hull Linda Cawley Nicola Storr Rebecca Knappett Melanie Stammers Stuart Bloom (Maternity cover)
Bank Staff	Kevin Casey Tom Storr Bernadette Keating Karen Beard Mary Prechner
Cleaner	Joanne Estall
Volunteers	Mary Prechner Paul Cheng Jill Frost Andrew Maltpress Crispin Plumley Sue Willet
Group Volunteers	Ethican North London Black Horse Ltd. Anglia Water Employee Volunteering

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (continued)
FOR THE YEAR ENDED 31ST MARCH 2017

Supporters

All of our farm shop and garden team customers
Richard Kumpins
Jake & Julie Colbey
Jill Frost & Linda
The Rock Allotment Society
Halloween Helpers & Arcadis
Ian Kalinowski
Arjuna Wholefoods, Cambridge
Cambridge Organic Food Company
Histon Chop Shop
Reach & Swaffham Prior Communities
Sue Willett
Templars 1st Baldock Cub Pack
Tesco Customers
Cambridge Woodcraft Folk

Grants and Donations

Jenny's Sponsored Wing Walk
Lloyds Black Horse Volunteers
Maclatchie Electrical
Misty's Sponsored Skydive
Screwfix Foundation & Newmarket branch
Selwyn College, Cambridge
Tesco Bags for Life
The Black Horse Pub, Swaffham Bulbeck
The Chapman Charitable Trust
The Clothworkers Company
The Eric Drummond Mercer Trust
The Petanque Group
The Pye Foundation
The Rock Allotment Society
Mackays of Cambridge Ltd.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of The Prospects Trust (the Trust) for the year ended 31st March 2017 which are also prepared to meet the requirements for a directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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

- **Strategic Aim 1**
To provide a range of supported work placements on an organically certified farm and within a professional garden maintenance team.
- **Strategic Aim 2**
To be a vibrant and engaged co-operative that fosters the development of people with learning difficulties, disabilities and varying health needs.
- **Strategic Aim 3**
To ensure sufficient human and financial resources to sustain and develop The Prospects Trust as a viable charitable social enterprise.
- **Focus Area 1:**
Developing the farm site, facilities and produce to be suitably sustainable.
- **Focus Area 2:**
Engaging and encouraging our Co-workers to be socially enterprising in all farm activities.
- **Focus Area 3:**
Co-operatively managing and growing The Prospects Trust.

Achievements and Performance**Key Statistics**

- We delivered 4,400 supported training sessions throughout the year in farming, gardening, woodworking, cooking, arts and crafts and, uniquely, driving Tilly the Tractor.
- We enabled 60 regular individuals with additional needs (our Co-workers) to attain new independence skills, increase self esteem and gain confidence. We also work routinely with local special needs schools providing work experience sessions.
- We welcomed 9 new placement sessions over the year and facilitated 2 individuals into external volunteering placements.
- Every Co-worker has a modular individual learning plan to demonstrate their personal progression within our pathway framework.
- We are regulated by 3 County Councils, 2 Colleges and the Organic Farmers & Growers.
- Our unrestricted social enterprise income is up 15% against last year.

Focus Area 1: Developing our farm site, facilities and produce to be suitably sustainable.

This year has been about making Snakehall Farm more accessible for Co-workers with mobility issues. We've laid new concrete pathways and built table top raised beds for our wheelchair bound Co-workers. We have also constructed a new, fully accessible polytunnel and standing out area thanks to the generous donation from the Blackhorse Pub.

Our fully accessible Woodwork Workshop has created a safe environment for our Co-workers to participate in woodcraft production and has transformed the Big Barn into a new hive of activity. Thanks to local businesses and residents, most of the building materials, tools and electrics were donated, recycled or upcycled.

Our Get OFFice Our Land appeal was successful and the existing office has been insulated and redecorated. We expect work on the office expansion in the winter of 2017/18.

Focus Area 2: Engaging and encouraging our Co-workers to be socially enterprising in all farm activities.

Our Fund a Farm Van appeal enabled us to purchase a new double cab vehicle so twice as many Co-workers can now help deliver our organic produce to our wholesale customers, gaining real work experience and valuable face to face contact with customers.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2017

We wish to thank all our supporters who voted for us at the Newmarket Tesco Store and helped us bag a £12,000 grant to construct a new fruit cage at Snakehall Farm. This will help reduce our expenditure when making preserves and chutneys in our new commercial kitchen as we can now grow our own organic raspberries, blackcurrants, redcurrants, strawberries and chuckleberries.

The Garden Team have successfully trialled large scale landscaping projects this year, which provides further learning opportunities for our Co-workers in turf laying, installing decking, creating herb gardens with seating areas and building fences. The team also successfully re-designed and created the Shade School playground in Soham.

Focus Area 3: Co-operatively managing and growing the Trust

We welcomed new Trustees Wendy Little (Treasurer), Jane Kershaw and Margaret Kerry who have extensive experience in business management, governance and Human Resource Management. We also welcomed Tom Storr and Karen Beard onto our Bank Staff team and said goodbye to one of our founding Trustees, Chris Nicholl, who resigned due to work pressures. We cannot thank Chris enough for his valued contribution to the Board for over 27 years. It is with great sadness that we report the passing of our valued volunteer Andrew Maltpress.

We again welcomed group volunteers from Blackhorse Finance, Ethicon and Anglian Water who worked tirelessly for us during their team building days and special mention to Jenny Day who completed a daring wing-walk to raise money in memory of her grandfather, Ron Cornell. The monies raised will be used to create a memory wall for our Co-workers, staff and volunteers to remember their loved ones.

We also welcomed to the world little Maisie, our first Snakehall Farm baby! Congratulations to parents Neil and Jenny from our Support Staff Team.

Public Benefit

The Trustees are aware of the Charity Commission guidance on public benefit and their policies in the operation of the Trust reflect this in the following ways:

- a) The Trust has widened its objectives in order to encompass a greater proportion of the community. It now benefits adults and children with learning difficulties, disabilities and varying health needs by providing a supportive place to grow and learn for all, with a strong co-operative ethos where everyone has a voice that is heard.
- b) The Trustees, staff, volunteers and Co-workers offer their support and expertise to other like minded charities, organisations and groups to facilitate partnership working and encourage relationships that strengthen the voice of those with disabilities.
- c) There are no geographical limitations, other than logistical constraints placed on the individuals who benefit from the Trust's activities.

Financial Review

The Trustees are satisfied that the level of free reserves, currently a surplus of £97,547 (2016: £90,898) are adequate to meet the objectives of the charity. The Trustees have set a Free Reserves Policy which will ensure that The Trust will continue during a period of unforeseen difficulty, based on 3 months costs (currently £72,915). The Trustees will review the level of free reserves periodically and consider making designations as appropriate.

The income for the year amounted to £360,039 (2016: £337,114), and expenditure amounted to £355,035 (2016: £314,291).

Future Plans and Developments

Further cuts to social care packages and transport budgets will inevitably have an effect on the Trust's finances. We have identified 4 main areas of our operation to work on over the next year to increase our social enterprise income:

1. Develop the farm site and facilities to increase the number of placement sessions we can offer per day.
2. Remove the rural barrier by scoping off-site service provision and exploring new transport provision opportunities.
3. Rejuvenate the Garden Team by creating new learning opportunities and offering more placements sessions per day.
4. Scope new opportunities for developing the 7.5 acre fallow Far Field.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2017

Structure, governance and management

The Trust is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association dated 3rd August 1995. It is a registered charity, registration number 1048584.

The Trustees who served during the year were:-

Margaret Bending

Philippa Coates

Daniel Durrant (appointed Chair from 22nd November 2016)

Steve Elstub

Paul Hamer

Dick McMullan (resigned as Chair from 22nd November 2016)

Chris Nicholl (resigned 26th April 2016)

Jane Kershaw (appointed 9th August 2016)

Wendy Little (appointed 9th August 2016 - Treasurer from 22nd November 2016)

Margaret Kerry (appointed 28th February 2017)

In accordance with the Articles of Association, Daniel Durrant and Margaret Bending retired by rotation and being eligible, offer themselves for re-election. The Board endeavour to appoint and recruit additional Trustees as the need arises in order to provide the Trust with a broad range of practical skills.

The Trust is administered through a flat management structure working to a co-operative ethos and we take inclusion and choice very seriously. Our team is made up of 4 Co-managers, 10 Support Staff and many Volunteers and 60 Co-workers. The Co-worker Committee, Staff Team Meetings, Co-managers Meetings and the Project Sub Committee, Finance Sub Committee, Co-worker Experience Sub Committee report quarterly to the Board of Trustees at the Management Committee Meetings.

Pay Policy

The pay policy for the Prospects Trust relates directly to the Management Committee Members, which include the Trustees and Co-managers. The Management Committee, formed of both staff and trustees are in charge of directing, controlling, running and operating the Trust. The Trustees (directors) give their time freely and no director received remuneration in the year. Trustees are entitled to claim expenses relating to travel or training fees but no transactions were made in the year. As a charity running to a collaborative ethos, the Trust has a Co-management structure of four Co-managers who are paid in accordance with their skills and experience as well as the additional responsibility of the daily management of a complex charitable organisation. Due to the size and complexity of the service run by the Prospects Trust, the Trustees reviewed Co-managers salaries in 2014/15 and increased pay levels in line with similar roles within the voluntary sector within Cambridgeshire.

Recruitment and Appointment of New Trustees

As stated within the Governing Documents, The Trust shall comprise of no more than 10 but no less than 3 serving Trustees(directors). Within this reporting year the Trust has proactively engaged in the recruitment of new Trustees to strengthen the existing Management Committee. The Trustees undertook a baseline audit to identify gaps in their skills and experience to help aid recruitment of the most appropriate Trustees. Appointment of new Trustees is conducted after a series of interviews with members of the Management Committee including Co-managers and serving Trustees. All new Trustees are subject to an enhanced DBS check, proof of identity and 2 references. The proposed Trustee is invited to attend a Management Committee Meeting before being formally appointed on to the Board of Trustees at the Annual General Meeting or co-opted onto the board at the next Management Committee Meeting.

Induction and Training of Trustees

All Trustees are invited to attend a volunteer day on the farm to gain an understanding of the organisation in working practice. Trustees are expected to understand all organisational policies, day to day routines and organisational handbook before undertaking decision making on behalf of the organisation.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31ST MARCH 2017

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Prospects Trust for the purpose 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 and charity 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 applications 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. The Trustees are responsible for the maintenance and integrity of the charitable company and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report, which has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. It was approved by the board on 14 November 2017 and signed on its behalf.



DAN DURRANT
CHAIRPERSON

INDEPENDENT EXAMINER'S REPORT

FOR THE YEAR ENDED 31ST MARCH 2017

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PROSPECTS TRUST

I report on the financial statements of the charitable company for the year ended 31st March 2017 which are set on pages 9 to 20.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The 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 needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants for England and Wales.

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

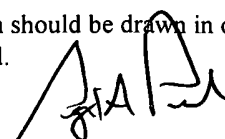
BASIS OF INDEPENDENT EXAMINER'S REPORT

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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement 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 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 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 financial statements to be reached.



NIGEL A PRENTIS FCA
FOR AND ON BEHALF OF:
PRENTIS & CO LLP
CHARTERED ACCOUNTANTS &
INDEPENDENT EXAMINERS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2017

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOME FROM:					
Donations	3	13,955	27,746	41,701	63,622
Charitable activities	4	310,410	-	310,410	266,538
Investments	5	5,887	-	5,887	5,419
Other		2,041	-	2,041	1,535
TOTAL INCOME		<u>332,293</u>	<u>27,746</u>	<u>360,039</u>	<u>337,114</u>
EXPENDITURE ON:					
Raising funds	6	13,361	-	13,361	13,156
Charitable activities	7	312,282	29,392	341,674	301,135
TOTAL EXPENDITURE		<u>325,643</u>	<u>29,392</u>	<u>355,035</u>	<u>314,291</u>
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		6,650	(1,646)	5,004	22,823
TRANSFERS BETWEEN FUNDS		(1)	1	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR AFTER TRANSFERS		6,649	(1,645)	5,004	22,823
RECONCILIATION OF FUNDS					
Total funds brought forward		90,898	69,431	160,329	137,506
TOTAL FUNDS CARRIED FORWARD		<u>97,547</u>	<u>67,786</u>	<u>165,333</u>	<u>160,329</u>

The notes on pages 12 to 20 form part of these financial statements.


BALANCE SHEET

AS AT 31ST MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	99,761	95,711
CURRENT ASSETS			
Stocks		2,086	1,872
Debtors	13	33,545	22,150
Cash at bank and in hand		42,788	55,683
TOTAL CURRENT ASSETS		<u>78,419</u>	<u>79,705</u>
LIABILITIES:			
CREDITORS: amounts falling due within one year	14	<u>12,847</u>	<u>15,087</u>
NET CURRENT ASSETS		65,572	64,618
NET ASSETS		<u>165,333</u>	<u>160,329</u>
THE FUNDS OF THE CHARITY			
Unrestricted funds	15	97,547	90,898
Restricted Income funds	15	67,786	69,431
TOTAL CHARITY FUNDS		<u>165,333</u>	<u>160,329</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 477(1) of the Companies Act 2006. Members have not required the company under Section 476 of the Companies Act 2006, to obtain an audit for the year ended 31st March 2017. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31st March 2017 and of its surplus for the year then ended in accordance with the requirements of Section 396 and which otherwise comply with the requirements of the Act relating to the financial statements as far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the board on 14 November 2017 and signed on its behalf.

.....

 WENDY LITTLE
 TREASURER

The notes on pages 12 to 20 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2017

	Note	Total Funds 2017 £	Total Funds 2016 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by (used in) operating activities	18	15,285	42,402
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and rents from investments		5,887	5,419
Purchase of fixed asset additions		(34,600)	(51,792)
Disposal of fixed assets		533	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		(28,180)	(46,373)
Change in cash and cash equivalents in the reporting period		(12,895)	(3,971)
Cash and cash equivalents at the beginning of the reporting period		55,683	59,654
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		42,788	55,683

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

1. ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by 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 (FRS102)), the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

1.2 FUND ACCOUNTING

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 INCOME RECOGNITION

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donated assets, services or facilities, are included in income at valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. The value of services provided by volunteers has not been included within these financial statements.

Income received in advance is carried forward to the next financial year as deferred income on the Balance Sheet.

Interest on funds held on deposit is included when recognisable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

1.4 EXPENDITURE RECOGNITION

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 settlement will be required and the amount of obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or appointed to the applicable expenditure headings in the Statement of Financial Activities.

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management and general running costs at Snakehall Farm.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2017

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to Leasehold Property	- 20% straight line
Plant and Machinery	- 20% straight line
Motor vehicles	- 25% straight line
Bus shelter	- 10% straight line
Farm Machinery	- 10% straight line

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 DEBTORS

Trade and other debtors are recognised at the settlement amount due.

Prepayments are valued at the amount prepaid.

1.8 CREDITORS AND PROVISIONS

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

1.9 PENSION COSTS

The charity operates a defined contribution of pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. Contributions are charged to the Statement of Financial Activities as they fall due.

2. LEGAL STATUS OF THE CHARITY

The charity 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 charity.

3. INCOME FROM DONATIONS

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Grants and donations	13,955	27,746	41,701	63,622
Grants comprise:			2017 £	2016 £
People Millions			-	50,000
Screwfix Foundation			5,000	-
The Clothworkers Company			14,200	-
The Pye Foundation			2,500	2,500
Tesco Bags of Help			10,000	-
The Chapman Charitable Trust			1,000	-
Cole Charitable Trust			-	500
			32,700	53,000
Donations			9,001	10,622
			41,701	63,622

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2017

4.	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2017	2017	2017	2016
		£	£	£	£
	Placements Fees	180,238	-	180,238	170,353
	Farm Team Generated Income	22,533	-	22,533	18,647
	Garden Team Generated Income	26,210	-	26,210	16,708
	Personal Support Income	81,429	-	81,429	60,830
		<u>310,410</u>	<u>-</u>	<u>310,410</u>	<u>266,538</u>
5.	INVESTMENT INCOME	Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2017	2017	2017	2016
		£	£	£	£
	Rent receivable	5,873	-	5,873	5,393
	Bank interest receivable	14	-	14	26
		<u>5,887</u>	<u>-</u>	<u>5,887</u>	<u>5,419</u>
6.	EXPENDITURE ON RAISING FUNDS	Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2017	2017	2017	2016
		£	£	£	£
	Development salaries and National Insurance	11,624	-	11,624	12,118
	External fundraising costs	1,737	-	1,737	1,038
		<u>13,361</u>	<u>-</u>	<u>13,361</u>	<u>13,156</u>
7.	ANALYSIS OF CHARITABLE ACTIVITIES	Activities	Support	Total	Total
		undertaken	costs		
		directly			
		(note 8)	(note 9)		
		2017	2017	2017	2016
		£	£	£	£
	Charitable activities	<u>228,210</u>	<u>113,464</u>	<u>341,674</u>	<u>301,135</u>
8.	ACTIVITIES UNDERTAKEN DIRECTLY			Total	Total
				2017	2016
				£	£
	Farm Team expenses			102,327	101,318
	Garden Team expenses			41,614	38,292
	Personal Support expenses			84,269	55,333
				<u>228,210</u>	<u>194,943</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST MARCH 2017

8. ACTIVITIES UNDERTAKEN DIRECTLY - continued

FARM TEAM EXPENSES	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Salaries and National Insurance	83,112	-	83,122	84,202
Other Farm Team expenditure	19,205	-	19,205	17,116
Total	102,317	-	102,327	101,318
 GARDEN TEAM EXPENSES	 Unrestricted Funds 2017 £	 Restricted Funds 2017 £	 Total Funds 2017 £	 Total Funds 2016 £
Salaries and National Insurance	32,329	-	32,329	32,141
Other Garden Team expenditure	9,285	-	9,285	6,151
Total	41,614	-	41,614	38,292
 PERSONAL SUPPORT EXPENSES	 Unrestricted Funds 2017 £	 Restricted Funds 2017 £	 Total Funds 2017 £	 Total Funds 2016 £
Salaries and National Insurance	84,269	-	84,269	57,036
Other Personal Support expenditure	-	-	-	(1,703)
Total	84,269	-	84,269	55,333

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

9. SUPPORT COSTS

	Administration	Finance	Insurances	Property	Governance	Other	2017 Total	2016 Total
	£	£	£	£	£	£	£	£
Unrestricted Funds:								
Administrative salaries and National Insurance	41,721	-	-	-	-	-	41,721	43,467
Bank charges	-	123	-	-	-	-	123	126
Cleaning	3,836	-	-	-	-	-	3,836	3,947
Computer expenses	716	-	-	-	-	-	716	810
Depreciation	-	-	-	-	-	7,291	7,291	5,556
Electricity	-	-	-	3,619	-	-	3,619	3,226
Equipment lease	1,562	-	-	-	-	-	1,562	1,716
Health and safety	-	-	-	-	-	747	747	517
Independent Examiners Fee	-	-	-	-	2,415	-	2,415	2,393
Payroll services	-	1,312	-	-	-	-	1,312	1,520
Postage and printing	1,056	-	-	-	-	-	1,056	2,166
Project costs	-	-	-	-	-	-	-	1,165
Recruitment and training	-	-	-	-	-	3,626	3,626	2,405
Rent, rates and insurance	-	-	3,394	7,032	-	-	10,426	10,504
Repairs and maintenance	-	-	-	2,216	-	-	2,216	437
Security	-	-	-	-	-	666	666	465
Staff travel and meetings	-	-	-	-	-	870	870	963
Stationery	474	-	-	-	-	-	474	562
Steng expenses	-	-	-	-	-	30	30	-
Subscriptions	-	-	-	-	-	222	222	242
Sundries	-	-	-	-	13	-	13	1,104
Telephone and internet	1,131	-	-	-	-	-	1,131	887
	<u>50,496</u>	<u>1,435</u>	<u>3,394</u>	<u>12,867</u>	<u>2,428</u>	<u>13,452</u>	<u>84,072</u>	<u>84,178</u>
Restricted Funds:								
Depreciation	-	-	-	-	-	23,259	23,259	18,416
Project costs	-	-	-	-	-	6,133	6,133	3,598
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,392</u>	<u>29,392</u>	<u>22,014</u>
TOTAL SUPPORT COSTS	<u>50,496</u>	<u>1,435</u>	<u>3,394</u>	<u>12,867</u>	<u>2,428</u>	<u>42,844</u>	<u>113,464</u>	<u>106,192</u>

2ND DRAFT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

10. NET INCOME FOR THE YEAR	2017	2016
This is stated after charging:	£	£
Depreciation	30,550	23,972
Independent Examiner's fee	2,415	2,393
	<u> </u>	<u> </u>
11. STAFF COSTS	2017	2016
	£	£
Salary costs	237,537	214,219
National Insurance costs	13,785	13,180
Pension costs	4,182	2,965
	<u>255,504</u>	<u>230,364</u>

The average number of persons, analysed by function, employed during the year was:-

	2017	2017	2016	2016
	Full-Time	Part-Time	Full-Time	Part-Time
Average number of staff	6	9	5	9
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The 9 part time staff in 2017 equates to 3.4 full time equivalent staff at 31st March 2017.

No employee received emoluments in excess of £60,000 (2016:£nil).

The above numbers do not include Trustees who did not receive remuneration or reimbursement of expenditure during the year (2016:£nil).

The key management personnel of the charity comprise of the Executive Officer whose total employee benefits for the year were £33,621 (2016:£31,902).

12. TANGIBLE FIXED ASSETS

	Leasehold	Farm	Plant and	Motor	Bus	
	Improvements	Machinery	Machinery	Vehicles	Shelter	Total
COST	£	£	£	£	£	£
At 1st April 2016	84,843	42,650	25,072	21,509	2,958	177,032
Additions	8,463	6,600	2,327	17,210	-	34,600
Disposals	-	-	-	(11,909)	-	(11,909)
At 31st March 2017	<u>93,306</u>	<u>49,250</u>	<u>27,399</u>	<u>26,810</u>	<u>2,958</u>	<u>199,723</u>
DEPRECIATION						
At 1st April 2016	31,678	12,490	13,868	21,509	1,776	81,321
Charge for the year	17,080	4,925	3,946	4,303	296	30,550
Eliminated on disposal	-	-	-	(11,909)	-	(11,909)
At 31st March 2017	<u>48,758</u>	<u>17,415</u>	<u>17,814</u>	<u>13,903</u>	<u>2,072</u>	<u>99,962</u>
NET BOOK VALUE						
At 31st March 2017	<u>44,548</u>	<u>31,835</u>	<u>9,585</u>	<u>12,907</u>	<u>886</u>	<u>99,761</u>
At 31st March 2016	<u>53,165</u>	<u>30,160</u>	<u>11,204</u>	<u>-</u>	<u>1,182</u>	<u>95,711</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

13. DEBTORS				2017	2016
				£	£
Trade debtors				32,631	21,116
Other debtors				914	1,034
				<u>33,545</u>	<u>22,150</u>
14. CREDITORS				2017	2016
				£	£
Amounts falling due within one year:					
Trade creditors				5,262	5,814
Accruals and deferred income				7,585	9,273
				<u>12,847</u>	<u>15,087</u>
15. ANALYSIS OF CHARITABLE FUNDS				Transfer	Carried
	Brought Forward	Income	Expenditure	Between Funds	Forward
UNRESTRICTED FUNDS	£	£	£	£	£
General Funds	<u>90,898</u>	<u>332,293</u>	<u>(325,643)</u>	<u>(1)</u>	<u>97,547</u>
RESTRICTED FUNDS					
Bus shelter donations	1,182	-	(296)	-	886
Doors to Success	364	-	(181)	-	183
Garden Team Appeal	126	-	(126)	-	-
Polytunnel Appeal	1,411	1,541	(695)	-	2,257
Reaching for Better Chances	80	-	(80)	-	-
Supporting Impact	186	-	(92)	-	94
New Farm Shop	11,588	-	(3,863)	-	7,725
Make us Flush	3,303	-	(1,651)	-	1,652
ICT Update	911	-	(304)	-	607
Wolfson Foundation	6,047	-	(2,015)	-	4,032
People's Millions	39,223	-	(9,345)	-	29,878
Vehicle	5,010	14,200	(5,823)	-	13,387
Fruitful learning	-	10,000	(4,921)	1	5,080
Memory Wall	-	1,005	-	-	1,005
Office extension	-	1,000	-	-	1,000
	<u>69,431</u>	<u>27,746</u>	<u>(29,392)</u>	<u>1</u>	<u>67,786</u>
Total of Funds	<u>160,329</u>	<u>360,039</u>	<u>(355,035)</u>	<u>-</u>	<u>165,333</u>

Bus shelter donations - This fund represents donations which have been received towards the building of a bus shelter.

Doors to Success - This fund represents funds received to redevelop Snakehall Farm facilities to better suit our Co-workers.

Make Us Flush - This fund represents funds raised to purchase of a new toilet block for the co-workers to use.

ICT Update - This fund represents funds received towards upgrading the IT hardware on the farm.

Wolfson Foundation - This fund represents funds received to install and decorate the toilet block and first aid room.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

RESTRICTED FUNDS - continued

Polytunnel Appeal - This fund represents funds received to finance the sponsorship of the repair and re-skimming of all the Prospects Trust polytunnels.

Reaching for Better Chances - a 3 year BIG Lottery funded project in 2009/12.

Supporting Impact - a 1 year BIG Lottery funded project embedding the ILP process 2012/13.

New Farm Shop - a Santander funded project to design and build a new on-site farm shop.

Silver Tank - funds received to sponsor the repair of our irrigation system.

Vehicle - This fund represents funds received to finance the purchase of a 6 seater vehicle for the farm team delivery operation.

People's Millions - This fund represents funds received towards the design and building of a commercial grade kitchen facility in the tea barn to create a space suitable for the production of secondary products from our crops.

Fruitful Learning - This fund represents monies received from the Tesco Bags of Help Community Grant Scheme to construct a fruit cage at Snakehall Farm.

Memory Wall - This fund represents monies raised in memory of Ron Cornell to build a memory wall at Snakehall Farm.

Office Extension - This fund represents funds received to extend the office area.

Restricted funds include funds raised for capital expenditure. These are charged to the fund over the life of the asset, in line with depreciation.

Transfers between funds primarily consist of contributions towards general overheads incurred by the charity for which an allowance is accounted for in each projects budgets.

16.	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2017	2017	2017	2016
		£	£	£	£
	Tangible fixed assets	38,079	61,682	99,761	95,711
	Current assets:				
	Stocks	2,086	-	2,086	1,872
	Debtors	33,545	-	33,545	22,150
	Cash at bank and in hand	36,684	6,104	42,788	55,683
	Creditors due within one year	(12,847)	-	(12,847)	(15,087)
		<u>97,547</u>	<u>67,786</u>	<u>165,333</u>	<u>160,329</u>

17. **RELATED PARTIES**

There were no related parties or related party transactions during the year ended 31st March 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2017

18. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income for the reporting period (as per page 8)	5,004	22,823
Adjustments for:		
Depreciation charges	30,550	23,972
Profit on disposal of fixed assets	(533)	-
Interest and rents from investments	(5,887)	(5,419)
(Increase)/Decrease in stock	(214)	(59)
(Increase)/Decrease in debtors	(11,395)	(2,299)
Increase/(Decrease) in creditors	(2,240)	3,384
Net cash provided by (used in) operating activities	15,285	42,402