

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 2024

Contents

Page

Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 17

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 March 2024

Trustees S A Tranter, Chair A G Kew
C McCann (resigned 15 March 2023) E M McVeigh
L Beckett (appointed 20 December 2022)

Company registered number 03364165

Charity registered number 1063842

Registered office 13 & 14 Mercury Close
Borstal Rochester Kent
ME1 3AT

Accountants Ant Accounting, Innovation Centre Medway, Maidstone Road, Chatham, ME5 9FD

Bankers CAF Bank Limited 25 Kings Hill Avenue Kings Hill
West Malling Kent
ME19 4JQ

Independent Examiner Ian Bhola
Ant Accounting, Innovation Centre Medway, Maidstone Road

Trustees' report
for the year ended 31 March 2024

The Trustees present their annual report together with the financial statements of the Charity for the year from 1 April 2023 to 31 March 2024. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity'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 (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

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 Rochester, Kent.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)' when reviewing the Charity's aims and objectives and in planning future activities for the year.

b. Volunteers

The trustees volunteered according to their skills and time, helping with providing advice and some practical help on site, such as fitting/installing items and minor repairs.

Achievements and performance

a. Results for the year

The Charity has received income during the financial year of £73,236 (2023: £108,774), whilst incurring expenditure totalling to £80,763 (2023: £115,730). This led to total reserves decreasing from £16,743 to £9,876. Of this £5,444 (2023: £12,311) is the Charity's unrestricted reserves, with £4,432 (2023: £4,432) being held as restricted funds at the Balance sheet date.

b. Review of activities

Various small events outside of normal working hours were arranged to improve engagement with parents and children.

The core income and expenditure is fairly reliable and predictable, so holding high reserves should not be necessary. However, the Trustees believe a comfortable level at the current time would be £40,000 – something the Charity is not quite achieving. It has been extremely difficult to increase income during the past year, but as 2023/24 progresses they hope to begin increasing the level of reserves up to £40,000, before embarking on any significant new additional expenditure. The Trustees continue to explore potential new sources of funding to improve reserves and help future developments.

The Trustees, staff and children are also very grateful to MHS homes for their ongoing maintenance of the building and external facilities.

a. Going concern

In May 2023 the trustees had to suspend, and later dismiss, the project manager, and suspend all operations for just over 3 months (including the summer break when it is closed anyway). This was due to issues being raised regarding safeguarding and the proper running of the charity. All those issues have been resolved, a new manager has been appointed and subsequently the project received another 'good' rating from Ofsted. However, this inevitably had a detrimental impact on revenues.

Despite the above issue, after making appropriate enquiries, the Trustees still have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees have considered the level of reserves they need to hold to enable them to meet their charitable objectives. The Trustees are continually reviewing the services provided and the funding they are receiving.

The core income and expenditure is fairly reliable and predictable, so holding high reserves should not be necessary. However, the Trustees believe a comfortable level at the current time would be £40,000 – something the Charity is not quite achieving. It has been extremely difficult to increase income during the past year, but as 2024 progresses they hope to begin increasing the level of reserves up to £40,000, before embarking on any significant new additional expenditure. The Trustees continue to explore potential new sources of funding to improve reserves and help future developments.

Structure, governance and management

a. Constitution

Action for Borstal Community Project is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 1 May 1997.

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

b. Methods of appointment or election of Trustees

The management of the Charity 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, ME1 3AT.

d. Financial risk management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Plans for future periods

The Trustees hope to secure further funding and build reserves to ensure the vital work of the project continues. This includes new grants and section 106 contributions from local developments.

Trustees' report (continued)

for the year ended 31 March 2024

Information on fundraising practices

The Charity has not undertaken any significant fundraising activities during the financial year however, the Pre-school held a few small events to help finance materials for the children.

Statement of Trustees' responsibilities

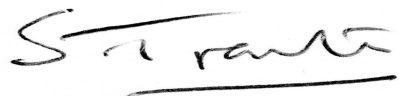
The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company 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 Charity and of its income and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees and signed on their behalf by:

S A Tranter Trustee Date:

A handwritten signature in black ink, appearing to read 'S A Tranter', with a horizontal line drawn underneath the name.

Independent examiner's report for the year ended 31 March 2024

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

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2024.

Responsibilities and basis of report

As the Trustees of the Charity (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 Charity 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 Charity'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 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 Charity 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.

Signed:
Ian Bhola

Dated:

Ant Accounting Ltd, Innovation Centre Medway, Maidstone Rd, Chatham, Kent, ME5 9FD

Ian Bhola

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	-	71,191	71,191	107,020
Charitable activities	5	-	1,855	1,855	1,720
Investments	6	-	190	190	34
Total income		-	73,236	73,236	108,774
Expenditure on:					
Charitable activities	7	-	80,103	80,103	115,730
Total expenditure		-	80,103	80,103	115,730
Net movement in funds		-	(6,867)	(6,867)	(6,956)
Reconciliation of funds:					
Total funds brought forward		4432	12,311	16,743	23,699
Net movement in funds		-	(6,867)	(6,867)	(6,956)
Total funds carried forward		4,432	5,444	9,876	16,743

The Statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 8 to 17 form part of these financial statements.

Registered number: 03364165

**Balance sheet
as at 31 March 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	1,107	1,142
Current assets			
Debtors	11	176	29
Cash at bank and in hand		9,923	17,132
		<u>10,099</u>	<u>17,161</u>
Creditors: amounts falling due within one year	12	(1,330)	(1,560)
Net current assets		<u>8,769</u>	<u>15,601</u>
Total net assets		<u>9,876</u>	<u>16,743</u>
Charity funds			
Restricted funds	13	4,432	4432
Unrestricted funds	13	5,444	12,311
Total funds		<u>9,876</u>	<u>16,743</u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf

S A Tranter Trustee Date:

The notes on pages 8 to 17 form part of these financial statements.

Notes to the financial statements for the year ended 31 March 2024

1. General information

Action for Borstal is a company limited by guarantee and is incorporated in England & Wales with the registration number 03364165. The address of the registered office is 13 & 14 Mercury Close, Borstal, Rochester, Kent, ME1 3AT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. 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.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling, which is the functional currency of the Charity and rounded to the nearest £.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Notes to the financial statements for the year ended 31 March 2024

2. Accounting policies (continued)

2.4 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. Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs. All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Office equipment - 20% straight line

2.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.9 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.

Notes to the financial statements for the year ended 31 March 2024

2. Accounting policies (continued)

2.10 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 Charity 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 in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Charity 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.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.13 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 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 or which have been raised by the Charity for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity does not currently have any significant accounting estimates or areas of judgement.

**Notes to the financial statements
for the year ended 31 March 2024**

4. Income from donations and legacies

	Restricted funds 2024 £	Unrestricte d funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	-	19,097	19,097	29,989
Government grants	-	52,094	52,094	77,031
	<u>-</u>	<u>71,191</u>	<u>71,191</u>	<u>107,020</u>

5. Income from charitable activities

	Unrestricte d funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fees receivable	<u>1,855</u>	<u>1,855</u>	<u>1,720</u>

6. Investment income

	Unrestricte d funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest receivable	<u>190</u>	<u>190</u>	<u>34</u>

**Notes to the financial statements
for the year ended 31 March 2024**

7. Analysis of expenditure by activities

	Direct costs 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Charitable activities	<u>77,911</u>	<u>2,192</u>	<u>80,103</u>	<u>115,730</u>

Analysis of direct costs

	Total funds 2024 £	As restated Total funds 2023 £
Staff costs	48,988	71,659
Depreciation	100	420
Rent and rates	17,488	20,733
Heat and light	2,857	2,218
Telephone and internet	980	782
Insurances	591	672
Bank charges	60	72
Sundry expenses	1,055	3,885
Equipment	5791	256
Decorating costs	-	200
	<u>77,911</u>	<u>100,897</u>

Notes to the financial statements for the year ended 31 March 2024

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

The decorating costs of £200 (2022: £5,082) relate to restricted expenditure in the year. All remaining direct costs expenditure in 2023 are from unrestricted funds.

Analysis of support costs

	Total	As restated Total
	funds	funds
	2024	2023
	£	£
Independent examiner's fees	900	1,560
Payroll fees	-	660
Consultancy fees	-	9260
Professional support costs	1,292	3,353
	2,192	14,833

All of the support costs, in both 2023 and 2024, were from unrestricted funds.

8. Staff costs

	2024	2023
	£	£
Wages and salaries	48,594	71,512
Social security costs	-	-
Pension costs	364	147
	48,958	71,659

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

2024	2023
No.	No.
12	8

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

Total remuneration and benefits received by key management personnel, including employer's national insurance contributions, amounted to £6,118 (2023: £14,610).

Notes to the financial statements for the year ended 31 March 2024

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

10. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2023	14,581
Additions	65
At 31 March 2024	<u>14,646</u>
Depreciation	
At 1 April 2023	13,439
Charge for the year	100
At 31 March 2024	<u>13,539</u>
Net book value	
At 31 March 2024	<u>1,107</u>
At 31 March 2023	<u>1,142</u>

11. Debtors

	2024	2023
Due within one year		
Other debtors	110	29
Prepayments and accrued income	66	-
	<u>176</u>	<u>29</u>

12. Creditors

	2024 £	2023 £
Due within one year		
Other Creditors	430	29
	<u>430</u>	<u>29</u>

Notes to the financial statements for the year ended 31 March 2024

12. Creditors: Amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	900	1,560

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
Unrestricted funds				
General funds	12,311	73,236	(80,103)	5,444
Restricted funds				
Pre-school decorating fund	4432	-	-	4,432
Total of funds	16,743	104,727	(80,103)	9,876

Restricted funds

Pre-school decorating fund - this funding was received from the Co-op to enable the Charity to undertake redecoration and renovation works at the Pre-school.

Notes to the financial statements for the year ended 31 March 2024

13. Statement of funds

(continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General funds	23,405	104,436	(115,530)	-	12,311
Restricted Funds	294	4,338	(200)	-	4,432
Total Funds	23,699	108,774	(115,730)		16,743

