

Company no. 02542176
Charity no. 1000544

**BS3 Community Development
Report and Audited Financial Statements
31 March 2018**

BS3 Community Development

Reference and administrative details

For the year ended 31 March 2018

Company number	02542176
Charity number	1000544
Registered office and operational address	The Southville Centre Beauley Road Bristol BS3 1QG
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Peter Bird Malcolm Brammar (appointed 19 October 2017) Jenny Brown Mark Coates (appointed 10 November 2017) Catherine Hector (appointed 19 October 2017) Celia Phipps Zoe Rice (appointed 10 November 2017) Matthew Symonds (resigned 31 May 2018) Jill Walsh
Company secretary and chief executive officer	Simon Hankins
Bankers	Co-operative Bank Lloyds Bank CAF Bank PO Box 250 284 Wells Road 25 Kings Hill Avenue Delf House Bristol West Malling South Way BS4 2PY Kent Skelmersdale ME19 4JQ WN8 6WT
Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor, Mariner House 62 Prince Street Bristol BS1 4QD

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2018

CO- CHAIR STATEMENT

This year has been one of significant growth, accomplishment and change for BS3 Community Development. The organisation has grown, welcoming new employees, volunteers and trustees, with other staff taking on new roles and greater levels of responsibility to support our continued growth.

Matthew Symonds, a long-serving and dedicated trustee, retired from his role as Chair in May 2018, having sat on the Board for over fifteen years and acted as Chairman for the last eight. His constant enthusiasm and energy has grown the Board of Trustees over recent years, providing BS3 Community with a healthy and diverse trustee team, well-placed to support the organisation in delivering its charitable aims. On behalf of all the staff, volunteers, and trustees of BS3 Community, we would like to thank Matthew for his unstinting and dedicated support for the organisation.

With the BS3 area increasingly becoming a highly desirable place to live and work, it has become progressively more difficult for us to secure large grants to support our work. Over the last ten years or so, BS3 Community has sought to address this by increasing our trading and self-generated income to provide a reliable funding stream to enable us to deliver our charitable aims.

The successful completion and opening of a brand new, purpose-built nursery and community facility at the Chessel Centre is a major milestone in this strategy. The increased income that the Chessel Centre is already providing has allowed us to recruit a community development manager and improve our reach into areas of our community not previously engaged. This role, working alongside a new head of communications, will establish a better dialogue with the community to identify what individuals and groups feel is missing, difficult, or could be improved in the area, and allow us to work with them in developing and implementing solutions. As an organisation, we believe that this co-produced approach involving different groups of people from a community is a sustainable approach to community development.

Alongside this work, we continue to help provide children with the best possible start in life, supporting families with young children to be economically active and maintain and enhance the economic vibrancy of our area. Working with others, we aim to reduce isolation and loneliness amongst our older residents, with an emphasis on inter-generational activities, through a range of fun and inclusive events, as well as facilities for groups to provide clubs activities and services that our community want and value.

We'd like to thank all the staff, volunteers and supporters whose contributions all help to make BS3 Community the vibrant and enthusiastic social enterprise it is today.

Peter Bird and Jill Walsh
Co-Chairs
Date: 20 September 2018

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of BS3 Community Development (BS3 Community) (the company) for the year ended 31 March 2018. 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).

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

BS3 Community's Charitable Purposes, as laid out in our Articles of Association are, in summary, to serve the community, develop its social capital, improve the local environment and help ensure that the area is a great place to live and work in order to improve the health, wellbeing and happiness of our community.

b. PUBLIC BENEFIT

BS3 Community Development's main activities, and the individuals and groups we help, are described; The charitable company's activities focus on increasing impact in the local community; to advance education and to provide facilities in the interest of social welfare for recreation and leisure time occupation. The objective is to improve the conditions of life for the benefit of the inhabitants, and those working in or frequenting the neighbourhoods comprising the postal district BS3, and we undertake activities to further our own charitable objects for the public benefit.

The trustees have had due regard to the Charity Commission's guidance on public benefit.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

We continue to provide a level of support and encouragement to many of the groups which we have historically helped start, most notably the South Bristol Arts Trail, the Greater Bedminster Front Garden Awards and Action Greater Bedminster. The vast majority have been successfully "spun-out" and are now independently constituted, with the confidence to self-manage, raise funds, defend and promote their causes.

We have retained the Social Enterprise Mark, with social return being driven by our Charitable Purposes. Where practically possible, we continue to reduce our environmental impact, as demonstrated through our retention of a Gold Award for Green Tourism.

We provide support to new local community groups and are in discussion with a number of them to provide encouragement and explore how we could provide, and do, practical support as they develop and evolve. During this year we have provided advice and support to local groups seeking to improve or develop local facilities and services.

For much of the past year we have been progressing the construction of our second community centre, the Chessel Centre on Chessel Street, Bedminster. To coincide with the opening of this new facility, work to develop a new logo and branding to accompany the organisation's new name 'BS3 Community Development' has been completed and implemented across the organisation.

BS3 Community Development

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BS3 Community employs over 70 people at the Southville and Chessel Centres and around 70% of paid staff, volunteers and trustees live within three miles of these locations, allowing them to walk, cycle or use public transport to travel to work. Around 50 local, self-employed people use the Southville Centre to offer evening classes and courses, provide music lessons, sell produce and take part in our various events.

We currently have ten regular volunteers supporting various services we deliver. These individuals are volunteering for a combined total of approximately 50 hours each week. Nine of them are involved with our older people's services, including the Monday Club, Sporting Memories and Activity Afternoon and one is involved with our Family Services.

The board of trustees would like to pay particular thanks to volunteers who have supported BS3 Community over the past year by:

- replanting pots, planted vegetables and herbs in front and back garden areas;
- providing VAT advice related to the Chessel Centre development; and
- providing grant writing skills for BS3 Community.

BS3 Community offers a number of benefits and facilities for local people, including:

Early Education and Childcare

Two nurseries

BS3 Community has run a day nursery since we first opened the Southville Centre in 1991. We currently provide nursery places for 84 children between the ages of 12 months and 5 years in two nurseries at the Southville Centre and a further 54 nursery spaces at the Chessel Centre. Seeing our Early Education and Childcare income rise from £852k to £988k /annum. The nurseries are funded by a mixture of charges including the delivery of government funded Free Early Education Entitlement spaces.

Out of school clubs

We run a breakfast club and afterschool club for children between the ages of 4 and 11 from Holy Cross RC School and Southville Primary School. These out of school clubs are funded mostly by charges but also through the re-investment of some of BS3 Community's in-year surplus.

Holiday Play Scheme

During the school holidays BS3 Community runs a daily play scheme for children aged between 4 and 11 years. The Holiday Play Scheme is funded by charges and re-investment of some of BS3 Community's in-year surplus.

Play (Toddler) Group

We run a drop-in play group (for babies through to toddlers, plus their parents) every Wednesday morning, this is usually attended by between 15 and 25 parents plus children. The group provides play opportunities for children and allows parents to socialise; it is funded by making a small charge and through re-investment of some of BS3 Community's in-year surplus.

Our nurseries and out-of-school provision have both received 'Outstanding' Ofsted reports (2015). These results are a credit to the staff and the quality of their childcare provision. It also reflects the enormous value that the whole of BS3 Community places on the provision of exceptional quality service as well as the effort made to achieve and maintain those very high standards across the charity.

Of course, such accreditation adds further to the demand for our nurseries. Following the opening of the Chessel Centre nursery waiting times initially reduced as new places were allocated, however this has subsequently led to a high number of new families registering, resulting in the waiting list growing once again to over one year of our current provision. This highlights the ongoing need for additional quality

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nursery provision across BS3. Two year old free entitlement to childcare has now been rolled-out for eligible families and free early education entitlement increased from 15 to 30 hours/week from September 2017; both of these factors have also contributed to an increase in demand.

There has been continued demand for BS3 Community's other family services, particularly out-of-school services. We continue to have discussions with Southville and Holy Cross primary schools to explore potential options for how, collectively, we can meet the demand and need for afterschool-club provision. Since 2016 we have delivered out-of-school provision for Holy Cross Primary at the Hungry Caterpillar Café in Bedminster. Unfortunately this venue closed in September 2017, reducing the number of out-of-school spaces available. From 2018-19, however, Holy Cross will re-introduce after-school provision on their school site, which will increase the number of spaces available at the Southville Centre for families from Southville Primary School.

The Southville Centre

We have continued to invest in maintaining the fabric and infrastructure of the Grade II Listed building which houses the Southville Centre. Work has been carried out this year to refurbish the Leighton Nursery Room, including repairs to the glazed lantern and replacement of its heating system with an underfloor heating system. As well as maintaining the fabric of the building, the day-to-day management of the premises by BS3 Community ensures that it is clean, tidy, safe, active and welcoming for all visitors. This work has been accomplished to a high standard and is reflected in the feedback we receive.

We continue to seek ways of improving the Southville Centre garden to further enhance both the environmental and educational aspects of this space for the community. The garden renovations provide an even more positive space for people across the community to use a space for events, parties and weddings, as well as for children, families and older people, this year we raised funding for the re-surfacing of the garden area and installation of a child friendly water feature.

The Southville Centre is a fully accessible community building with a large hall, good size conference room and a training / breakout room available for hire for weddings, community events, meetings, exercise classes, art gallery, craft markets, food fayres and many other uses. We currently host 35 activity sessions a week at the Southville Centre (and increasingly at the Chessel Centre) and have a good mixture of exercise classes for adults, children and those with disability, as well as hosting cultural and social activities. The rooms are also available for private hire, with discounted room hire rates available for charities and local voluntary groups. As a result, rooms are in great demand for the many project partnership meetings we are now either supporting or are involved in delivering.

Although we receive an income from some of the groups listed below, all provide vital community services:

- Special needs Judo
- Storage for Streets Alive street party kit
- Leigh Court Farm Organic Veg Box Collection / Mark's Bread / Real Economy Food Collection
- LILAC (Local Isolation & Loneliness Action Committee) group meetings
- The Southville Centre is a registered community place of safety
- Community Police Officers – loo break, place to write up notes, etc.
- Registered alternative venue for the local GP surgeries
- Polling Station
- National Fostering Agency
- BS3 Community is a member of Refill Bristol water campaign
- Notice board – cheap local advertising
- Photocopying

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The former Care Takers Cottage at the Southville Centre is sublet to Bristol Music Space, a local charity providing a community-based music therapy service for children, young people and adults (especially those with learning difficulties) in Bristol and the surrounding area. Their team of state-registered music therapists currently works with around 400 people each week at the Southville Centre and a wide range of other settings from Early Years centres to residential homes.

We also offer use of our hallways and café walls for local artists to display their art and other space for other local people and businesses to use, such as a bookcase for locally produced gifts, card racks/dispensers for locally produced greeting cards, a meeting point for a healthy walking group and much, much more.

In 2017 the Southville Centre café contract, which includes the provision of nursery and Monday Club (a set of options for older residents) catering, was taken over by Kate's Kitchen Catering Limited, a locally-based company with a good reputation for providing quality catering at events across the city and experience of running a popular café at Arnos Vale Cemetery. BS3 Community is working closely with Kate's Kitchen to develop and market the Southville Centre as an increasingly popular venue for weddings, with both the Main Hall and the Beaulley Room being licensed for ceremonies. Their expertise in event catering will enhance the attraction of the Southville Centre as a popular venue for birthdays and children's parties, wakes and many other occasions.

The Southville Centre is regularly used by a wide range of people, typically more than 2,000 people a week, from people attending celebrations with family and friends, workshops and classes of all kinds, as well as social groups, passers-by and homeworkers who pop in to use the café.

The Southville Centre is open to the public from 9am-9pm Monday to Friday and available for hire on Saturday and Sunday. Reception staff answer enquiries from the public on a whole range of questions and provide information and leaflets on a host of events and local services. There are notice boards for use by local groups and residents and our fully accessible toilet facilities are provided free of charge to the public. BS3 Community has signed up to Refill Bristol and encourages people to refill their water bottles with chilled tap water to reduce food miles and plastic waste.

The Chessel Centre

The Chessel Centre, a new purpose-built facility for the community, opened in December 2017 housing a full-time nursery as well as space for community use and some much-needed office space for BS3 Community staff and volunteers and certain partner organisations staff. We are on track to meet our planned, phased occupancy projection (50% in April 2018, rising to 70% in September 2018) and with the aim of achieving full (typically greater than 80%) occupancy by May 2019. It will provide 54 full time places equivalent, which translates to around 110 families that will benefit from our outstanding early years education provision.

On the 3rd of February we held our official opening and welcomed hundreds of our neighbours and supporters into the new building for tours of the community room, play garden and education spaces. We took the opportunity to introduce some of our community development and intergenerational projects; with special guests being some of the older people and children from the Channel 4 documentary that we were involved in "Old People's Home for 4 Year Olds" as well as a performance of a ground-breaking play "Alonely". This thought provoking set of monologues was devised by a group of local older people trained by the University of Bristol to be Community Researchers, as an innovative means of conveying the findings of their co-produced research undertaken amongst their peers into issues of isolation and loneliness among older people in the BS3 area, and continues to be performed at festivals and events around the country.

We believe that the Chessel Centre has started its journey to becoming BS3 Community's second

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landmark community hub; we have already taken bookings for the community room from a music charity and local artists for workshops, as well as hosting local forums such as Bristol Ageing Better.

Older People's Services

Older People's Services has seen an investment in time and energy with the new post of Community Development Manager able to dedicate more to the services.

Older People's "Monday Club"

This continues to thrive, with up to 25 older people participating in the club each Monday. They are treated to a wide and varied range of activities and entertainment; always with a hot, nutritious lunch produced by Kate's Kitchen staff (the onsite, independent caterers who run the Southville Centre café), served by others and enjoyed in the company of friends. We also take them out to the seaside, the zoo, visits to stately homes, a trip around the harbour (with cream tea and lunch at a posh restaurant), all on a fairly regular basis. This set of services is mostly supported by grants from various Charitable Trusts as well as a level of self-funding from the older people who access that Monday Club. Funding is a constant challenge and we continue to seek support from local organisations.

Dementia services

Working closely with the Alzheimer's Society, the Dementia Navigators, Bristol Community Health Dementia Champions and others, we have developed two fortnightly services and set of activities/entertainment for people suffering from dementia and their carers. Alive Activities (a local charity that specialise in reminiscence and dementia) deliver the two sets of activities; one being their own service, the other for-and-on-behalf of Sporting Memories (after being trained by the charity in the delivery of their activities).

Quarterly social tea dances

The highly successful quarterly social tea dances at the Southville Centre have continued in partnership with the Southville & Bedminster LinkAge Advisory Group and Kate's Kitchen. Through talking to participants, it became obvious that a whole set of different types of dances would be appreciated and enjoyed, not just 'old time music hall' type music (the most recent dance was Latin Jive!).

Professional foot care

Free space is provided every month for a foot care professional to provide discounted foot care to older people in the Monday Club and other older people local to the Southville Centre.

Community Webs

Community Webs BS3 Community is a key partner in a multi-partner development of Community Webs that is re-designing how community support is provided to BS3 residents as well as how primary health care is viewed and accessed within the newly imagined support environment.

It was reported last year that BS3 Community worked with the five GP surgeries that service the BS3 population, to successfully secure the Better Care Bristol Transformation Board's 'Community Webs' 'test & learn' twelve-month pilot. That project started in early 2017 and sought to reduce the number of inappropriate (non-medical) presentations at three of the surgeries. Since the end of the pilot work additional three year funding has been secured to deliver this bottom up approach in all five GP surgeries. The GP's value of the service and the impact on 'inappropriate' (wasted) appointments are recognised.

Local GP-based befriending services

BS3 Community is key in brokering and developing the RSVP-provided, local GP-based befriending service, which continues to thrive. BS3 Community has undertaken DBS checks on behalf of the local GPs to overcome difficulties in securing DBS checks for volunteer Wellbeing Guides in a timely manner.

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Volunteers visit BS3 Community and are fully DBS checked, allowing them to be available for training and befriending within two weeks.

Community Navigators

BS3 Community is a partner in this BAB-funded project. Bristol Community Health is the lead partner. Other partners are The Care Forum and Barton Hill Settlement. The Community Navigator project is a social prescribing service for people over 50 years old. The Navigator Link-workers take referrals from the community care providers, family and also self-referrals and support people by sign-posting into activities and services that help engage them with their community with a focus on reducing isolation and loneliness. This social prescribing service compliments the Community Webs social prescribing service and allows for cross referrals.

Age Friendly projects

BS3 Community is leading on various projects to make the streets/pavements more accessible to people of all ages. A street warden project has successfully secured 18 wardens for their streets and support has been given to them to champion / action any problems including wheelie bins blocking the pavement, cars parking in an obstructive way, bushes over hanging.

Another project has seen local groups walking the streets and talking to retailers about making their shop entrances more age friendly, for people with pushchairs, mobility scooters, and limited vision.

Other activities

We continue to support and engage with the Big Lottery funded, Bristol Aging Better (BAB) project and, where possible, work to support our local LinkAge (charity) to roll-out their BAB Community Development for Older Peoples project. BS3 Community is actively involved in the local LinkAge's Partnership network and provides practical support with their promotional campaign in a local magazine, the Pigeon, by writing and providing 'copy'.

In 2018 we successfully secured three separate grants from BAB for partnership projects: a partnership with Wellspring and Buzz Lockleaze focusing on engaging older people with food; a partnership with All Aboard Water sports and other partners focusing on free activities for over 50's; a partnership with All Aboard Water sports and local teenagers working on an inter-generational project building a boat.

We will continue to engage with opportunities as they arise as well as seek-out opportunities to develop new services, new partnerships and new approaches, as required, in order to make the BS3 area a great place to live and grow old. As such, we are engaged in the BAB and Bristol City Council 'Age Friendly City' initiative as well as the 'All Age Friendly' initiative that is being led by the University of Bristol. We will continue to work, and support work being undertaken to support our older residents and build on the successes which we have had to date.

Community development work

BS3 Community continues to play a leading role in community development within the BS3 postcode area of south Bristol.

Historically, BS3 Community members and volunteers have been active in helping local residents to establish a great many local groups. We continue to offer advice and practical support to local people who want to develop new groups that help to improve their/ our community. Support is offered to community groups in many ways including advice, encouragement, subsidised meeting rooms, use of the Southville Centre's reception and the café being a contact point for many groups, plus various resources, including management of grants/ funds being available.

Increasingly we provide advice, information and support online through our Facebook (1,447 Likes), Twitter (1,875 Followers) and LinkedIn (102 Likes - new for the organisation).

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Members of the senior management team play an active part in various strategic, steering and working groups across the city, often those groups have a focus on community cohesion and development. Ruth Green, Community Development Manager, is Vice-chair of Action Greater Bedminster and also sits on the steering group for BS3 Helping Others, LILAC, (local isolation and loneliness action committee) as well as the Community Navigator board.

Action Greater Bedminster (AGP)

Following the dissolution of Greater Bedminster Community Partnership in June 2017, BS3 Community supported the creation of a new community group, Action Greater Bedminster to strengthen local networks to facilitate a more coordinated approach to the delivery of statutory and other services in local electoral wards. BS3 Community play an active role in Action Greater Bedminster which has undertaken a survey to capture BS3 residents views on a variety of issues/concerns raised by residents at an open forum meeting. The surveys will be reviewed and shared with the community and a plan of action developed.

Local Isolation and Loneliness Action Committee (LILAC)

With the support of BS3 Community and a Big Lottery Grant, LILAC have recruited a community development worker and instigated 'Tech & Talk', a series of sessions run in local cafes on a fortnightly basis. These provide a friendly environment for people over fifty-five to ask questions about mobile phones, tablets and computers, people who are interested, but who may find classes or a formal technology course daunting. This is a fantastic intergenerational project, with sessions led by volunteers from ILOP (improving lives for older people in BS3), IT students from a local sixth form college and older members of the community on hand to help with queries and provide conversation.

Greater Bedminster Good Garden Awards

BS3 Community and Action Greater Bedminster continue to support these annual awards intended to encourage local residents to improve their front gardens and make BS3 a more pleasant neighbourhood in which to walk and cycle.

Bedminster's Secret Gardens Open Weekend

Held over a weekend in June, this event continues to grow, with over thirty local gardeners opening their (normally private) back gardens for people to visit and raising funds for local community gardening and environmental schemes in BS3. BS3 Community provided support with advertising, web presence, public liability insurance and by selling brochures.

Blooming Bedminster Growing Community Group

A network of gardening and environmental projects in BS3, which, in addition to supporting the Open Gardens and Good Garden Awards, helped coordinate the second Tobacco Factory Plant and Gardening Market in May 2017. The market brought together specialist and community plant growers in a celebration of all things green and growing.

Southbank Arts Trail

BS3 Community offers the Southville Centre as the largest venue for the annual Southbank Arts Trail.

Achievements and Performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

BS3 Community Development has set up close financial monitoring and management within the 'infrastructure sub-committee', who's chair (or the treasurer) oversees a level of questioning and scrutiny and then report to the full board meetings.

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The sub-committee includes current Co-Chairs and the Treasurer and other board members as well as the CEO and Finance Manager. One of the roles of this sub-committee is to review the financial management accounts including debtors, creditors and performance against budget plus cash flow projections and forecasts.

Reports are submitted prior to each meeting and the accounts are audited annually. In addition to this work, the infrastructure sub-committee review and develop financial policies and systems to ensure robust financial controls and effectiveness. There is also an oversight of segregation of duties with the financial and senior management teams.

b. REVIEW OF ACTIVITIES

Staff and operations

With the focus on getting the Chessel Centre open and running, a number of new staff have been recruited to carry out roles associated with the running of the Chessel Centre and the expansion of nursery. Some re-structuring and expansion of the senior management team has been undertaken to respond to the challenge of managing an increased number of staff and operations across two sites. This year we have made a number of key appointments including the Head of Communications, Finance Manager, Buildings & Operations Manager, Community Development Manager and Senior Operations Administrator. The new roles of Head of Communications and Community Development Manager have been filled by internal appointments.

We remain committed to the goal of ensuring all staff are paid the Living Wage Foundation living wage (all staff are currently paid above the government's national living wage).

We continue to invest in the professional and personal development of our staff and volunteers as well as develop the culture of BS3 Community. We have also held social events for trustees, staff and volunteers to meet in an informal and fun environment. In January 2018 we took part in a team quiz event in the Jasper Room at the Chessel Centre which was a great success and allowed staff from different areas of the charity to mix together alongside trustees and volunteers, with an opportunity to experience our new facility.

Financial Review

a. FUNDRAISING ACTIVITIES/INCOME GENERATION

BS3 Community Development generates most of its income and funding through the services provided and grants secured. The vast majority of the trading undertaken (uses social enterprise principles) is within our charitable aims. All surpluses generated from our primary trading activities are used to support the charity and help us fulfil our charitable purposes.

We continue to operate the charity using social enterprise principles in a way that ensures that our core services and activities, as well as the management, maintenance and running of the Southville and Chessel Centres, remain sustainable; always with an eye on achieving our triple bottom line of making a financial and social return on our investments (with the social return aligning to our charitable objects) and doing that in an environmentally responsible way.

b. INVESTMENT POLICY AND PERFORMANCE

BS3 Community has a measured attitude to risk, consciously investing cash funds into financial institutions/companies that are involved in the Financial Services Compensation Scheme (FSCS). BS3 Community will during 2018-19 review its investment policy and seek to protect any reserves and cash

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held by the organisation.

As at 31 March 2018, BS3 Community had investments in different term funds:

- Instant access; and
- 3 month notice account.

Investment decisions

Where appropriate the Finance Manager proposes new or updated investments to the Infrastructure subcommittee and are actioned only if approved by that standing committee.

Investment management

BS3 Community Development has a medium attitude. BS3 Community investments are reviewed according to the terms of the investment. A regular review of investments is undertaken to ensure that the interest rate secured is acceptable to the infrastructure subcommittee.

c. GOING CONCERN

Trustees are mindful that the recent investment in the charitable company's future sustainability via the purchasing of land and the building of the Chessel Centre has, at this point in time, reduced its free cash reserves. As at the 31 March 2018, the charity's free cash reserves stood at £62,999, against a desired minimum Armageddon Reserve of £111,720. The trustees understand the need to rebuild the reserves to a minimum target level and are confident of the organisation's ability to do this, by generating annual surpluses on unrestricted income. The trustees can see a positive position during the first half of the 2018-19 financial period and forecast that the free cash reserves position will improve further during the current year. For this reason the organisation continues to adopt a going concern basis in preparing the financial statements.

d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

BS3 Community maintains a comprehensive risk register relating to the financial activities of the organisation. This register is up-dated and reviewed regularly. In addition all payments must be authorised by at least two members of the Senior Management Team [SMT] and for transactions exceeding £2,000 trustee authorisation is also required.

The Infrastructure sub-committee supports the Senior Management Team in reviewing all major risks and organisational plans and are closely involved in the execution of any such plans. BS3 Community's Infrastructure sub-committee and Board of Trustees review financial reports on a regular basis and monitor performance against expectation regularly.

e. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk for the BS3 Community currently is the raising and designation of reserves or refinancing of debt.

Additional risks for BS3 Community Development include the establishment of the Chessel Centre as an operational nursery and community space and ensuring that occupancy is developed in line with projections. Early indications are positive, with good uptake of nursery places and growing interest in use of community space.

Additionally, cutbacks in funding by Charitable Trusts and local authorities, arising from the economic climate, may affect the fundraising that the BS3 Community is able to achieve.

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f. RESERVES POLICY

The trustees wish to build up the charitable company's reserves and ensure they are proportionate to the financial risks and liabilities the organisation could be exposed to should it be forced to close. The organisation has reviewed its reserves policy in 2017-18, with particular focus on its commitments and operating costs. A minimum level of Armageddon Reserves (£111,720) have been set. The trustees also reviewed the issue of the Charity Bonds (£560,000), and their settlement in 2023. This will be through the re-payment and/or the re-finance at the end of the term, with decisions by trustees being timetabled 18 months prior to the 2023 repayment date. In addition, it has been agreed that there will be the development of a designated building repairs fund (£110,000 target). This will be established further to the organisation's annual buildings repairs budget. It is the aim of the trustees to achieve these commitments within a reasonable short-term timescale. The charity will review its reserves policy at least annually. The charity plans to build its reserves through its primary trading activities and services, and will review its free cash reserves bi-annually to make sure that reserves are designated and set aside. The charity currently has unrestricted, undesignated general funds not committed or invested in tangible fixed assets or long term liabilities of £62,999 (2017: £391,438).

g. PRINCIPAL FUNDING

The principle funding sources are income from:

- Provision of early years education and childcare;
- Room hire and events; and
- Grants from charitable trusts, foundations and other grant providers.

Structure, Governance and Management

a. CONSTITUTION

The company is constituted under an Articles of Association and is a registered charity number 1000544.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

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

The members of BS3 Community board of trustees are all volunteers. Each trustee is elected for a period of up to three years. Each year at the BS3 Community AGM either one third, or three (whichever is the greater number), of the trustees on the board come up for re-election with the longest serving third, or three, trustees having to step down.

A board of trustees, Chair and Vice-chair are elected annually by the trustees at the first meeting following the AGM. The board can appoint a Treasurer, Deputy-treasurer and/or a Company Secretary from the trustees or seek to recruit either no-trustee volunteers or even pay suitably qualified individuals to undertake either, or both of those roles.

To ensure that new trustees are appointed regularly the board has undertaken a skills audit of current trustees and matched those against the skills requirement after analysing the most recent business plan in order to identify skills gaps. The skills audit is due for review in 18/19. The board continues to seek to recruit people with appropriate skills, experience and/or passion and invites potential new trustees to shadow their meetings as well as undertake BS3 Community pre-trustee induction process.

The trustees constitute directors of BS3 Community for the purposes of the Companies Act 2006 and are trustees of the charity for the purposes of the Charities Act 2011. There is a limit of 15 trustees who

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2018

can be elected by BS3 Community membership at the Annual General Meeting (AGM).

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

An ongoing and ever-present challenge is the recruitment and retention of trustees. BS3 Community trustee induction process has proved effective.

Since 1 April 2017 three people have completed the pre-trustee probationary period and have been co-opted. As of March 2018, five others are midway through the pre-trustee probationary period.

d. PAY POLICY FOR SENIOR STAFF

Senior Management Team salary and rewards are associated with specific roles, which are not gender specific. Consideration is given to relativities in relation to job content and responsibility and benchmarking remuneration against other similar services, with a view to paying above the median local market rate to ensure that the best staff can be recruited and retained; not to individual advocacy or preference. Parity is maintained between the same or similar jobs.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The board of trustees is responsible for the governance of BS3 Community, the setting of its strategic direction, agreeing policies, ensuring that the organisation abides by any legal requirements, signing up new members and the recruitment and management of the Chief Executive Officer (CEO).

Our CEO, Dr Simon D Hankins, is employed by BS3 Community board of trustees to provide leadership to BS3 Community, work with the board and others to develop the organisation’s strategic direction, as well as develop and manage an organisational structure that is able to manage, maintain and develop the Southville Centre and the Chessel Centre plus the various services and activities that the organisation provides directly and wishes to provide, as given in the annually updated business plan.

The CEO is supported by five senior managers and a senior operations administrator:

- Lisa Caradine - Buildings & Operations Manager
- Tim Clark - Executive Head of Early Education & Childcare
- Ruth Green - Community Development Manager
- Dawn Lockhart - Head of Communications
- Becca McDougall - Finance Manager

f. MEMBERS

BS3 Community is a member-led and community-focused organisation; anyone can become a member of BS3 Community, a two-year membership costs £2. Each year BS3 Community has an Annual General Meeting (AGM) where all signed-up and paid-up BS3 Community members are entitled to vote for those members standing for available places on the board of trustees. BS3 Community currently has 124 registered, consented members. In 2016 an online membership form was created. Members have the option to donate; BS3 Community is registered for Gift Aid.

g. RISK MANAGEMENT

The trustees have considered the major risks to which the charity is exposed, have reviewed those risks and established systems and procedures to manage the risks. With the expansion of operations, and the addition of new colleagues to the SMT, the approach taken to managing risk is under review with a new procedure to be in place before the end of 2018.

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2018

Apart from financial and reputational risk, one of the greatest risks to BS3 Community is its reliance on key staff (particularly at senior management level) and key volunteers. This is understood by trustees and is actively taken into account (where practically possible) in staffing structures, benefits packages, recruitment, review systems and training budgets, including trustee training.

The trustees are satisfied that all operational systems are in place to ensure sound governance and management of the charity; this has been upheld in the monitoring undertaken by our funding bodies and auditors.

Plans for Future Periods

a. FUTURE DEVELOPMENTS

This year and future years will, we believe, be challenging times for everyone, what with the UK going through a continued period of uncertainty with a degree of political and economic instability and insecurity (with Brexit) making the need for BS3 Community (and all that we do) even more pertinent for our community. We fully recognise that we cannot do everything ourselves; that to achieve more we need to work with others; other providers but also members of our community.

We believe that to effect sustainable and enduring positive change we need to work in a 'co-produced' way with our community to enable the community itself to be part of the solutions ('doing with' and enabling the community to 'do for' themselves, rather than us (or others) simply 'doing to').

We have been, and will continue to provide, opportunities, services and activities that enable people to come together, to talk, laugh, discuss, debate, have fun and get things done within their community, to be able to support one another in ways that are appropriate and required or desired – to garner and build a supportive community spirit, identity and develop community pride. We will continue to ensure that the Southville Centre continues to be a vibrant community hub that is welcoming and inclusive. We will also ensure that the Chessel Centre will be operated for the benefit of the community.

We will seek to have the work of BS3 Community recognised as being for the benefit of our whole community, and we will continue to focus our efforts on the development of true "social capital" within our community.

Trustees' Responsibilities Statement

The trustees (who are also 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2018

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

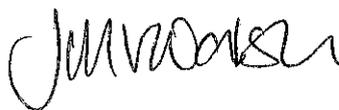
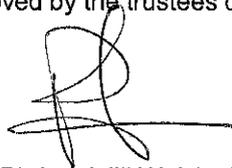
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

The auditors, Godfrey Wilson, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re appointing the auditors at a meeting of the trustees.

Approved by the trustees on 20 September 2018 and signed on their behalf by



Peter Bird and Jill Walsh, Co-Chairs

Independent auditors' report

To the members of

BS3 Community Development

Opinion

We have audited the financial statements of BS3 Community Development (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

BS3 Community Development

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

BS3 Community Development

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 2 OCTOBER 2018

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

BS3 Community Development

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2018

	Note	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Income from:					
Donations		2,339	12,472	14,811	1,434
Charitable activities	3	369,950	1,048,025	1,417,975	1,227,600
Investments		-	1,487	1,487	2,088
Total income		<u>372,289</u>	<u>1,061,984</u>	<u>1,434,273</u>	<u>1,231,122</u>
Expenditure on:					
Raising funds		-	16,566	16,566	11,125
Charitable activities		<u>154,514</u>	<u>1,493,543</u>	<u>1,648,057</u>	<u>1,061,078</u>
Total expenditure	5	<u>154,514</u>	<u>1,510,109</u>	<u>1,664,623</u>	<u>1,072,203</u>
Net income / (expenditure)		217,775	(448,125)	(230,350)	158,919
Transfers between funds		<u>(456,757)</u>	<u>456,757</u>	-	-
Net movement in funds	6	(238,982)	8,632	(230,350)	158,919
Reconciliation of funds:					
Total funds brought forward		<u>280,123</u>	<u>488,919</u>	769,042	610,123
Total funds carried forward		<u>41,141</u>	<u>497,551</u>	538,692	<u>769,042</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the accounts.

BS3 Community Development

Balance sheet

As at 31 March 2018

	Note	£	2018 £	2017 £
Fixed assets				
Tangible assets	9		1,223,329	805,340
Current assets				
Debtors	10	83,453		103,079
Cash at bank and in hand		<u>191,955</u>		<u>764,963</u>
		275,408		868,042
Liabilities				
Creditors: amounts falling due within 1 year	11	<u>(171,268)</u>		<u>(196,481)</u>
Net current assets			<u>104,140</u>	<u>671,561</u>
Total assets less current liabilities			1,327,469	1,476,901
Creditors: amounts falling due after more than 1 year	12		<u>(788,777)</u>	<u>(707,859)</u>
Net assets	14		<u>538,692</u>	<u>769,042</u>
Funds	15			
Restricted funds			41,141	280,123
Unrestricted funds			<u>497,551</u>	<u>488,919</u>
Total charity funds			<u>538,692</u>	<u>769,042</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 20 September 2018 and signed on their behalf by



Peter Bird - Co-Chair



Jill Walsh - Co-Chair

BS3 Community Development

Statement of cash flows

For the year ended 31 March 2018

	2018 £	2017 £
Cash used in operating activities:		
Net movement in funds	(230,350)	158,919
<i>Adjustments for:</i>		
Depreciation charges	21,388	7,168
Impairment charge	384,027	-
Interest payable	9,299	9,667
Dividends, interest and rents from investments	(1,487)	(2,088)
Decrease / (increase) in debtors	19,626	(10,530)
Increase / (decrease) in creditors	<u>(27,744)</u>	<u>18,204</u>
Net cash provided by / (used in) operating activities	<u>174,759</u>	<u>181,340</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,487	2,088
Purchase of tangible fixed assets	<u>(823,404)</u>	<u>(236,226)</u>
Net cash provided by / (used in) investing activities	<u>(821,917)</u>	<u>(234,138)</u>
Cash flows from financing activities:		
Repayment of borrowing	(170,850)	(17,400)
Cash inflows from new borrowing	<u>245,000</u>	<u>560,000</u>
Net cash provided in / (used in) financing activities	<u>74,150</u>	<u>542,600</u>
Increase / (decrease) in cash and cash equivalents in the year	(573,008)	489,802
Cash and cash equivalents at the beginning of the year	<u>764,963</u>	<u>275,161</u>
Cash and cash equivalents at the end of the year	<u><u>191,955</u></u>	<u><u>764,963</u></u>

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in 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.

BS3 Community Development 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 note(s).

b) Going concern basis of accounting

The accounts have been prepared on the basis that the charitable company is able to continue as a going concern. As stated in the trustee's annual report the charitable company's free cash reserves have fallen below its minimum target level due to the recent investment in the Chessel Centre. The trustees have considered the current and future projected level of unrestricted income and expenditure and are confident that the reserves will return within the next two years. For this reason trustees consider it appropriate to use the going concern basis.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of goods and services being delivered, including nursery provision, events and room hire is deferred until criteria for income recognition are met.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

e) 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 bank.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged as a cost against the organisation and the costs are shared on the basis of activity on a percentage of square meterage used

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on full time equivalent staff numbers, as follows:

Raising funds	1.1%
Charitable activities	98.9%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write-down the cost of each asset to its estimated residual value over its expected useful lifetime (EUL). The depreciation rates in use are as follows:

Leasehold improvements	2% straight line basis
Fixtures, fittings and equipment	25% straight line basis
Land and buildings	2% straight line basis (retaining land value of £275,000)
Assets under construction	Not depreciated

Items of equipment are capitalised where the purchase price is, or exceeds, £1,000.

j) Impairment of fixed assets

At each reporting period end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities, as a support cost.

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

1. Accounting policies (continued)

l) Cash at bank and in hand

Cash at bank and cash 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.

m) Creditors

Creditors and provisions 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 after allowing for any trade discounts due.

n) 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

The charity bond is recognised as a concessionary loan. The bond is initially recognised at the amount received and is subsequently adjusted to reflect any accrued interest payable. The bond is reviewed for impairment and to the extent the loan is irrecoverable, a corresponding impairment loss is recognised in the SOFA.

o) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

2. Prior period comparatives

	Restricted	Unrestricted	2017 Total
	£	£	£
Income from:			
Donations	639	795	1,434
Charitable activities	312,113	915,487	1,227,600
Investments	-	2,088	2,088
Total income	312,752	918,370	1,231,122
Expenditure on:			
Raising funds	-	11,125	11,125
Charitable activities	116,730	944,348	1,061,078
Total expenditure	116,730	955,473	1,072,203
Net income / (expenditure)	196,022	(37,103)	158,919
Transfers between funds	13,063	(13,063)	-
Net movement in funds	209,085	(50,166)	158,919

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

3. Income from charitable activities

	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Grants	369,950	646	370,596	311,130
Childcare income	-	988,878	988,878	852,622
Rental and room hire income	-	33,698	33,698	38,143
Café	-	15,679	15,679	16,071
Other	-	9,124	9,124	9,634
Total charitable activities	<u>369,950</u>	<u>1,048,025</u>	<u>1,417,975</u>	<u>1,227,600</u>

4. Government grants

The charitable company receives government grants, defined as funding from Bristol City Council and the Centre for Sustainable Energy to fund charitable activities. The total value of such grants in the period ending 31 March 2018 was £75,931 (2017: £127,337). There are no unfulfilled conditions or contingencies attached to these grants.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

5. Total expenditure

	Raising funds	Charitable activities	Support and governance costs	2018 Total	2017 Total
	£	£	£	£	£
Staff costs (note 7)	7,242	623,011	145,944	776,197	683,116
Other staffing costs	-	1,481	9,229	10,710	6,519
Direct project costs	-	211,531	27,819	239,350	201,409
Premises costs	-	-	97,204	97,204	79,016
Impairment	-	-	384,027	384,027	-
Depreciation	-	-	21,388	21,388	7,168
Finance costs	-	-	22,400	22,400	-
Professional fees	-	-	2,546	2,546	15,168
Running costs	-	8,368	79,189	87,557	66,475
Promotion and advertising	-	1,500	21,744	23,244	13,332
Sub-total	7,242	845,891	811,490	1,664,623	1,072,203
Allocation of support and governance costs	9,324	802,166	(811,490)	-	-
Total expenditure	16,566	1,648,057	-	1,664,623	1,072,203

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

6. Net movement in funds

This is stated after charging:

	2018	2017
	£	£
Depreciation	21,388	7,168
Impairment	384,027	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	55	Nil
Auditors' remuneration:		
▪ Statutory audit	<u>5,800</u>	<u>6,200</u>

One trustee received reimbursement of expenses during the year of £55 (2017: none).

7. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	695,822	615,093
Social security costs	43,690	37,707
Pension costs	9,934	8,419
Non-salaried staffing costs	<u>26,751</u>	<u>21,897</u>
	<u>776,197</u>	<u>683,116</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the trustees, CEO, Head of EE&C, Head of Communication and Community Development, Buildings and Finance Managers. The total employee benefits of the key management personnel were £189,243 (2017: £133,996).

Staff numbers were as follows:

	2018	2017
	No.	No.
Average head count	53.00	49.00
Full time equivalent	<u>36.50</u>	<u>26.70</u>

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

9. Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Land and buildings £	Assets under construction £	Total £
Cost					
At 1 April 2017	223,765	148,128	-	569,212	941,105
Additions in year	-	73,589	-	749,815	823,404
Transfer of completed assets	-	-	1,319,027	(1,319,027)	-
At 31 March 2018	<u>223,765</u>	<u>221,717</u>	<u>1,319,027</u>	<u>-</u>	<u>1,764,509</u>
Depreciation					
At 1 April 2017	2,782	132,983	-	-	135,765
Charge for the year	4,475	12,513	4,400	-	21,388
Impairment	-	-	384,027	-	384,027
At 31 March 2018	<u>7,257</u>	<u>145,496</u>	<u>388,427</u>	<u>-</u>	<u>541,180</u>
Net book value					
At 31 March 2018	<u>216,508</u>	<u>76,221</u>	<u>930,600</u>	<u>-</u>	<u>1,223,329</u>
At 31 March 2017	<u>220,983</u>	<u>15,145</u>	<u>-</u>	<u>569,212</u>	<u>805,340</u>

The Southville Centre (Beauley Road, Bristol) itself is on a 999 year lease from Bristol City Council. The lease was signed in 1990 and is for a peppercorn rent. The costs of renovating the site and building were expensed in the year they were incurred, in line with accounting policies and standards at the time.

An impairment charge has been recognised against the Chessel Centre in the year ending 31 March 2018, as the asset's 'at built' cost exceeded its recoverable amount. The impairment charge has been calculated by reference to an open market valuation of the property undertaken in August 2017.

10. Debtors

	2018 £	2017 £
Trade debtors	74,527	81,769
Prepayments	7,213	6,413
Accrued income	-	10,985
Other debtors	1,713	3,912
	<u>83,453</u>	<u>103,079</u>

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

11. Creditors : amounts due within 1 year

	2018	2017
	£	£
Bank loan	12,991	10,460
Trade creditors	61,020	125,077
Accruals	13,546	9,405
Other taxation and social security	13,094	16,947
Deferred income (see note 13)	1,930	-
Other creditors	68,687	34,592
	<u>171,268</u>	<u>196,481</u>

12. Creditors : amounts due after 1 year

	2018	2017
	£	£
Bank loan	228,777	147,859
Charity bond	560,000	560,000
	<u>788,777</u>	<u>707,859</u>

Analysis of debt maturity

Debt due after more than one year:

repayable between one and five years	629,365	52,298
repayable in five years or more	172,403	666,021

During the year ended 31 March 2018, the 15 year loan with NatWest was paid off and a new 15 year loan secured on the Chessel Centre property with CAF Bank. Interest is payable monthly at an annual interest rate of 3.25%.

The charity bond is repayable in full in February 2023. Interest is payable annually in arrears at 4% gross. Interest expense was payable to bond holders of £20,160 and tax in relation to this to HMRC of £2,240. There was no impairment of the financial liability in the year ending 31 March 2018. The bonds are unsecured.

13. Deferred income

	2018	2017
	£	£
At 1 April 2017	-	95,877
Deferred during the year	1,930	-
Released during the year	-	(95,877)
At 31 March 2018	<u>1,930</u>	<u>-</u>

Deferred income relates to Bristol Community Hospital funding for Dementia Navigator contributions in advance of service delivery.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

14. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	1,223,329	1,223,329
Net current assets	41,141	62,999	104,140
Non current liabilities	-	(788,777)	(788,777)
Net assets at 31 March 2018	41,141	497,551	538,692
Prior period comparative			
	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	805,340	805,340
Net current assets	280,123	391,438	671,561
Non current liabilities	-	(707,859)	(707,859)
Net assets at 31 March 2017	280,123	488,919	769,042

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

15. Movements in funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2018 £
Restricted funds					
Chessel Centre development	219,050	278,957	(37,470)	(460,537)	-
Southville Centre development	2,949	2,000	(8,729)	3,780	-
Community development:					
In Community projects:					
Community Webs	-	20,000	(10,000)	-	10,000
SW&EB	5,000	500	-	-	5,500
Alonely	2,000	6,000	(3,020)	-	4,980
Tech&Talk	7,265	5,162	(8,769)	-	3,658
Community projects	8,473	150	(8,473)	-	150
Older people's services	28,897	46,508	(59,413)	-	15,992
Green Walkway	2,217	-	(2,217)	-	-
Bristol Hydroscaapes project	1,880	3,600	(5,480)	-	-
Sustainable Southville/BS3	1,062	-	(201)	-	861
Urban Community Energy	938	7,212	(8,150)	-	-
Two Towers project	-	2,200	(2,200)	-	-
Early education and childcare:					
Nursery parents' forum	392	-	(392)	-	-
Total restricted funds	280,123	372,289	(154,514)	(456,757)	41,141
Unrestricted funds					
General funds	488,919	1,061,984	(1,510,109)	456,757	497,551
Total unrestricted funds	488,919	1,061,984	(1,510,109)	456,757	497,551
Total funds	769,042	1,434,273	(1,664,623)	-	538,692

Purposes of restricted funds

Chessel Centre development

Capital grant payments from Bristol City Council, Power to Change and Quartet towards capital expenditure related to the build and fixtures for the Chessel Centre. As the Chessel nursery build is now complete, all restrictions on the capital grants have been discharged. The balance transferred to unrestricted funds represents capitalised costs.

Southville Centre development

John James Foundation grant and Groundworks UK to improve and develop the Southville Centre garden, with a focus on its educational and environmental value. All restrictions on the grant income have been discharged at the point the work on the garden was completed.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

15. Movements in funds (continued)

In Community projects

University of Bristol connected communities, Awards for All and University of Bristol. Quartet Community Foundation for Tech & Talk, University of Bristol Law Society for Aloney, Community Webs being supported by Bristol Benevolent Institute.

Older people's services

Grateful Society, Bristol Benevolent Institution - several schemes are provided within older people's services, individual funding and donations for activities such as a day club, dementia services, tea dances.

Green Walkway

Undertaken in partnership with the Greater Bedminster Community Partnership, this project has primarily been funded via the Bristol City Council, Local Sustainable Transport Fund funding to enhance and revitalise footpaths throughout the BS3 area.

Bristol Hydroscares project

The University of the West of England fund this project looking at water resources and involving the local community in research, through this restricted grant.

Sustainable Southville/BS3

Several small projects from historically funded activities, working to promote environmental awareness, enhance green spaces and reduce the negative impact from emissions in the BS3 area.

Urban Community Energy

Centre for Sustainable Energy project in conjunction with Sustain to deliver a sustainability energy feasibility study.

Two Towers Project

Funding from Quartet Community Foundation for community engagement for residents in flats in the Window Wonderland scheme.

Nursery parents' forum

The Southville Centre Nursery parents' forum was a group for parents of children attending the Southville Centre nursery and out of school services. Its aims was to include fundraising, increasing parent involvement at the centre. The group in the past had raised funds for a specific purpose, such as the purchase of new resources, and, if there are any unallocated funds remaining, they would work with the Head of Early Education & Childcare to purchase resources.

Transfers between funds

Transfers between funds relate to the release of capital funds to unrestricted on completion of the building work, thereby discharging the restrictions on the capital grants. There is also a transfer to top up small overspends on restricted projects with general funds.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

15. Movements in funds (continued)

Prior period comparative

	At 1 April 2016 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2017 £
Restricted funds					
Bristol Hydroscares project	2,680	7,200	(8,000)	-	1,880
Bristol Water Sports project	-	1,416	(1,416)	-	-
Chessel Centre	10,000	219,050	(23,063)	13,063	219,050
Green Walkway	4,417	-	(2,200)	-	2,217
In community projects	18,789	20,500	(16,551)	-	22,738
Nursery parents' forum	392	-	-	-	392
Older people's services	29,287	39,587	(39,977)	-	28,897
Southville Centre development	4,190	12,811	(14,052)	-	2,949
Sustainable Southville	1,283	-	(221)	-	1,062
Urban Community Energy	-	12,188	(11,250)	-	938
Total restricted funds	71,038	312,752	(116,730)	13,063	280,123
Unrestricted funds					
General funds	539,085	918,370	(955,473)	(13,063)	488,919
Total unrestricted funds	539,085	918,370	(955,473)	(13,063)	488,919
Total funds	610,123	1,231,122	(1,072,203)	-	769,042

16. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2018 £	2017 £
Amount falling due:		
Within 1 year	11,912	1,659
Within 1 - 5 years	33,837	2,074
	45,749	3,733

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2018

17. Capital commitments

At 31 March 2018, capital expenditure commitments were as follows:

	2018	2017
	£	£
<i>Contracted but not provided for in the accounts:</i>		
Chessel Centre construction costs	<u>19,051</u>	<u>615,975</u>

At 31 March 2018, the charity's various contractual agreements with regard to the build of the Chessel Centre have been fulfilled. One outstanding retainer commitment remains for the main contractor.

18. Related party transactions

There were no related party transactions in the year ended 31 March 2018. During the year ending 31 March 2017, the charity paid for software and consultancy services totalling £3,060 from Gerrard Financial Consulting Limited, a company owned by one of the charity's trustees.