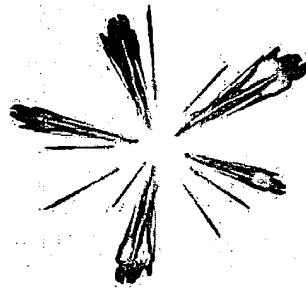


**COMPANY REGISTRATION NUMBER 5403518**

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
31 DECEMBER 2015**



**Vital**  
Regeneration

**Charity Number 1110882**

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**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

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**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2015**

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2015.

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Vital Regeneration
<b>Charity registration number</b>	1110882
<b>Company registration number</b>	5403518
<b>Principal office</b>	31 Plympton Street London NW8 8AB

**THE TRUSTEES**

The trustees who served the company during the period were as follows:

Hugh McGeever (Chair)  
Lyndon Sly  
Carlos Miranda (resigned 30 July 2015)  
Darren Levy (resigned 1 January 2016)  
Joni O'Sullivan  
Chris Allner  
Jeremy Crump  
Margaret Pollock  
Marc Wolman (resigned 29 October 2015)  
Tim Harris (appointed 29 October 2015; resigned 31 March 2016)  
Madhu Rajesh (appointed 29 October 2015)

<b>Chief Executive</b>	David Bowler
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<b>Auditor</b>	Shipleys LLP Chartered Accountants & Statutory Auditor 10 Orange Street Haymarket London WC2H 7DQ
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<b>Bankers</b>	Lloyds TSB City Office Branch PO Box 1000 BX1 1LT
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<b>Solicitors</b>	Weil, Gotshal & Manges One South Place London, EC2M 2WG
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**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES ANNUAL REPORT**

**31 DECEMBER 2015**

**OUR PURPOSE AND ACTIVITIES**

**TRUSTEES AND GOVERNANCE**

Vital Regeneration is governed by a Board of trustees, who are also Directors of the company. As set out in the Articles of Association, the trustees are the only members of the charity and there is provision for up to 10 trustees. Residential Management Group and CityWest Homes each have the right to nominate a trustee to the board. A further seven independent trustees have been appointed by the trustees in order to achieve a balance of relevant skills and experience on the Board. These trustees were appointed due to their particular knowledge, interest and experience in:

- Social and economic regeneration relevant to the charity's purposes and activities
- The field of education
- Public sector housing
- An understanding of creative industries and access to creative networks
- Public sector housing and Communities
- London labour market
- Strategic business growth, development and financial planning
- Communication, Public relations, Corporate Social Responsibility (CSR)
- Marketing, branding & fundraising

The Board meets a minimum of four times each year. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and programme-related activity.

Trustees work through a number of Task Groups and sub-committees. During 2015 these were: a Fundraising, Development and Communications Committee and an HR and Remunerations Committee.

The trustees have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise, and to provide reasonable assurance that:

- The charity is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use and disposal
- Proper records are maintained and financial information used within the charity or for publication is reliable
- The charity complies with relevant laws and regulations.

Vital Regeneration's systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and include:

- A business plan and an annual budget approved by the trustees
- Quarterly updated financial forecasts
- Regular consideration by the trustees of the financial results, variance from budgets, non-financial performance indicators and cashflow projections
- Delegation of authority and segregation of duties
- Identification and management of risks.

The charity operates a performance management system where key actions and tasks are captured and reported to the Board.

**VITAL REGENERATION  
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**31 DECEMBER 2015**

**Trustee Induction and Training**

When recruiting new trustees, the Board looks for individuals with skills and experiences which are of value to Vital Regeneration using a matrix of essential and desirable skills. A Board Manual sets out the charity's governance policies, roles, responsibilities and delegation of authorities.

This is provided for new Trustees together with the Charity Commission's 'The Essential Trustee: What you need to know' and the Governance Hub's 'Good Governance Code'.

Trustees are regularly offered training opportunities and an away day is arranged annually to consider strategic issues affecting the work of Vital Regeneration.

**RISK MANAGEMENT**

The trustees have a risk management framework which covers strategic, business and operational risks the charity may face. These risks are evaluated by the management team and scored for likelihood and impact with updates provided to board meetings by the CEO. Internal control risks are minimised by the implementation of financial and other procedures.

The major risks which the charity potentially faces have been identified as:

**External risks**

Current Economic and Political Climate  
Loss of Major Customers, Funders or Supporters  
Partnership Working  
Competitors  
Politics – National and Local

**Internal risks**

People  
Strategy  
Systems and Processes  
Finance and Contracts  
Premises/Accommodation  
Compliance  
Board  
Beneficiary/Community  
Funder Relationships  
Performance

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

**Cash flow risk**

The charity's activities expose it primarily to the financial risks of changes in interest rates. The financial impact of changes in interest rates is not considered to be material for the charity.

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**Credit risk**

The charity's principal financial assets are bank balances and trade and other receivables. The charity's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provision for bad debts. The charity has no significant concentration of credit risk, with exposure spread over a large number of parties.

**Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing activities and future developments the charity uses short term deposit accounts.

The potential impact of each of these risks, and appropriate actions in mitigation, are considered on an on-going basis as part of the Risk Management process.

Procedures are in place to ensure compliance with the Health and Safety of staff, volunteers, beneficiaries and visitors to the programme delivery sites. Health and safety audits of all operational sites are conducted annually and any actions arising are managed through the quarterly planning cycle.

**STATEMENT OF PUBLIC BENEFIT**

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing aims and objectives and in planning for future activities. This annual report outlines the main activities undertaken in 2015 in furtherance of public benefit aims and objectives.

**OBJECTIVES AND ACTIVITIES**

Vital Regeneration is a registered charity, charity no. 1110882 and a company limited by guarantee. The objectives, as set out in the Memorandum and Articles of Association are:

- The promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation by all or any of the following means:
  - The relief of poverty
  - The relief of unemployment
  - The advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience
  - The provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help: (i) in setting up their own business, or (ii) to existing businesses
  - The creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms
  - The maintenance, improvement or provision of public amenities
  - The preservation of buildings or sites of historic or architectural importance
  - The protection or conservation of the environment
  - The provision of public health facilities and childcare
  - The promotion of public safety and prevention of crime
  - Such other means as may from time to time be determined subject to the prior written consent of the Charity Commissioners for England and Wales

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
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**31 DECEMBER 2015**

- To develop the capacity and skills of the members of socially and economically disadvantaged communities in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society
- To advance the education of the public by any charitable means
- To provide or assist in the provision of recreational and other leisure time facilities in the interests of social welfare for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, have need of such facilities
- To help young people especially but not exclusively through the provision of leisure time activities (including physical and educational) to develop their physical, mental and spiritual capacities that they may grow to full maturity as individual members of society
- To promote good race relations for the benefit of the public
- The promotion, protection and preservation of health.

**Purpose:** To deliver effective, long-lasting solutions to the social, environmental and economic problems experienced by people living in disadvantaged communities.

**Mission:** To create life changing learning, employment and enterprise opportunities, enabling people and communities to realise their potential and reduce inequalities.

**Beliefs:** That all people should have opportunities to learn, create, explore and to develop their potential for success. We believe in the inherent potential for success of all people. We are ambitious for the growth and development of those we work with (beneficiaries, staff, volunteers and organisations). We believe that communities themselves are the best agents for positive change. We believe in the power of partnership-working to add to our knowledge and skills, and to increase the impact of our work.

In our work we value:

**Opportunity** - we create and provide access to opportunities, champion equal opportunities, and enable staff and volunteer development.

**Learning** - we create learning opportunities, promote the benefits of learning and continually learn as an organisation.

**Collaboration** - we build strong partnerships, promote the benefits of collaboration and encourage organisational team-working.

**Creativity** - we deliver creative regeneration programmes, promote the benefits of creativity and deliver creative programmes that inspire participants.

**Entrepreneurialism** - we achieve impact in enterprising ways, promote the benefits of enterprise and encourage entrepreneurialism in our people.

**Quality** - we deliver high-quality services and strive for excellence in all we do.

**VITAL REGENERATION  
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**ABOUT VITAL REGENERATION**

Vital Regeneration is a charity based in Westminster. Vital Regeneration has been delivering services since 1998 and was formally established as a charity in 2005. Our mission is to create life changing learning, employment and enterprise opportunities, enabling people and communities to realise their potential and reduce inequalities.

Vital Regeneration focuses on breaking the cycle of deprivation through supporting communities that are most in need. We support young people who are unemployed or disengaged from education and training to secure work or return to education. For those young people from disadvantaged backgrounds who lack the social networks and contacts to make the most of their talents, we support them into work experience, provide mentoring and connect them to opportunity.

Our range of intensive employment and enterprise programmes help families experiencing the disruption of homelessness to secure and sustain work and to build micro-enterprises to achieve economic independence.

Our community programmes help provide flourishing, healthy environments so that all residents of Westminster can fulfil their potential. Our vision is for everyone to have equal opportunities in life, wherever they live.

We do this through listening to individuals and communities, championing their needs, designing programmes that respond to the challenges they face and building the strong partnerships necessary to deliver change. Every year we reach and support over 3,000 local people.

**OUR STRATEGIC OBJECTIVES**

Our strategic vision is to work with at least 3,000 target beneficiaries in disadvantaged neighbourhoods within a five mile radius of our headquarters, co-creating and delivering innovative programmes that increase personal and household incomes, improve learning outcomes and enhance wellbeing and resilience.

Our strategic aims and objectives are:

1. To diversify our income and develop new sources of unrestricted revenue.
  - Secure a successful and sustainable mix of funding types and sources.
  - Draw on expertise in building strong cross-sector partnerships and alliances to develop compelling funding, sponsorship and investment deals.
  - Maximise our undesignated and unrestricted funding in order to rebuild our balance sheet and enable investment in growth.



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2. To demonstrate and celebrate our evidence of effectiveness and impact.
  - Expand market intelligence and knowledge-base to enable improved comparative analysis and differentiation.
  - Develop and implement an organisation-wide evaluation framework measures our effectiveness and impact.
  - Improve external validation of results, effectiveness and impact (awards, testimonials and evaluations).
3. To expand our geographical reach, working collaboratively within our target sphere of operation.
  - Leverage track record and reputation to extend core services and pilot and mainstream new initiatives.
  - Strengthen and share our cause-related narrative and success stories with at least 1,500 new target stakeholders (as well as existing contacts).
  - Create a collaborative ethos and reputation that enables partnership working and the achievement of 'preferred' partner status.
4. To ensure that our services are responsive to beneficiaries' needs and experience.
  - Co-design empowering services with our beneficiaries, putting them at the heart of our mission and vision.
  - Ensure that beneficiary and stakeholder feedback and evaluation inform our practice and continuous improvement.
  - Create effective structures for engaging beneficiaries in our governance and strategic direction.

## **ACHIEVEMENTS AND PERFORMANCE**

Vital Regeneration tackles disadvantage in three main ways: helping communities respond positively to change, helping people to establish and sustain their career or business and helping young people to fulfil their potential.

### **Vital Community:** helping communities respond positively to change

- Building on the successful engagement of residents in the development of Westminster council's proposals for the long term regeneration of the Church St and Paddington Green neighbourhoods throughout 2013 and 2014, our Community Engagement Service team has been working intensively with local residents and stakeholders to sustain their involvement and participation in shaping developments. From doorstep communications to engagement events and public meetings, we have made sure everyone in the area is aware of what is happening and has a chance to input. Thematic work has been undertaken on topics including: Employment & Enterprise, Retail & Markets, Public Realm and Arts & Culture in addition to site specific meetings and workshops involving architects and developers. A number of pop-up workshops and events were held to define a community benefits programme arising from the regeneration,

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
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**31 DECEMBER 2015**

enabling local residents to influence how community funding will be spent. Work with traditionally under-represented young people has included *Sustainable Design Matters* - a course introducing the importance of sustainable design in the built environment to secondary schools, delivered in partnership with the practice of internally renowned architect Sir Terry Farrell – Sir Terry launch his student prize in 2015, selecting the inaugural winners from participants in the Sustainable Design Matters programme. This work is carried out by a team of Vital Regeneration staff including locally recruited Community Connectors, and specialist tutors delivering against an outcomes based specification under contract to Westminster City Council.

- Our Greenside Community Centre attracted over 13,000 visitors in 2015. Nearly 200 local groups and organisations delivered their activities and services from our six community venues in Church Street. Our Community Spaces team have worked collaboratively with community partners to organise a series of free trips and events for local people. For example, our popular Halloween, Easter, Eid and Christmas parties continue to provide opportunities for celebration and our ongoing relationship with the Royal Academy of Arts has enabled families and their children to appreciate fine art.

**Vital Work & Enterprise:** helping people to establish and sustain their career or business

- Our HELP café and employment support service worked intensively with over 170 participants affected by the benefits cap, at risk of homelessness or living in temporary accommodation, providing professional advice and coaching, 'better-off' calculations, goal-setting, training and preparation for work, including CV writing, interview skills and rethinking behavioural and attitudinal requirements. 53 participants engaged in formal training and 35 gained employment. This year we added a new career progression (improved hours and pay) service to tackle under-employment and in-work poverty. 18 employed beneficiaries joined the programme and 7 have achieved more hours or better pay so far. Towards the end of 2014 we made successful applications for funding to expand the HELP programme and double the number of beneficiaries being supported going forward.
- 2015 was the second operational year of our HELP Enterprise programme supporting people living in temporary accommodation to establish and grow their own micro-business. This is a ground-breaking initiative using enterprise as a means to financial independence. It provides an innovative mix of social finance with integrated business and housing support, including micro-equity investment, professional mentoring, workspace and affordable tenancy options. Vital Regeneration secured a rent free short lease on vacant office premises, sourced free surplus furniture and fittings and launched the *Venture 382* "pop-up" micro-enterprise co-working space and business incubator in January 2015. By December 2015, twenty four live businesses were operating from the centre, the majority owned and operated by people accepted as homeless by Westminster council and housed in temporary accommodation. Marketing and branding support for each business was sourced from a retired, former senior advertising executive and partners at London Business School and core supporters, BNP Paribas and Dolphin Square foundation continued to support the project and the micro-entrepreneurs throughout the year. IN April Vital Regeneration successfully incorporated its subsidiary social investment vehicle, Vital Invest CIC. Securing £45K seed capital from BNP Paribas and attracting support from Lincoln

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International to establish the CIC Board and prepare for the first wave of micro-investments into businesses supported via HELP.

**Vital Youth:** helping young people fulfil their potential

- 107 young people (11-24 year olds) participated in Vital Youth programmes this year. Our programmes are designed to ignite young people's creative confidence and ability to harness skills to solve problems and improve their own life chances. Highlights for the year included:  
Pitch Me - an enterprise start-up programme delivered with students from Westminster academy as part of Enterprise week, a second *Master the Word* project, a communications and presentation skills project delivered in partnership with the Hospital Club Foundation; *Career Shapers* introducing the hospitality industry supported by Lancaster London Hotel and an introduction to careers in the commercial law industry with Weil, Gotshall and Manges, a global law firm based in the City.

**Partnership and collaboration**

Vital Regeneration has a well-established local presence in Westminster and beyond, enabling us to draw on an extensive network of partners, community groups and other niche support organisations. Many of our services are delivered on an outreach basis in local community settings. All of our projects are delivered in collaboration with others.

Vital Regeneration has a strong track record in securing corporate relationships and has long standing support from some high profile local partners including BNP Paribas, Weil and the London Business School.

**Plans for the coming period**

In 2016 we will:

- Expand our enterprise support offer with additional venues and a continued focus on nurturing entrepreneurs from disadvantaged communities.
- Expand our HELP Employment and Enterprise to support more beneficiaries living in temporary accommodation across London to achieve economic independence.
- Refine and focus our Youth offer to improve impact and support the entrepreneurial ambitions and talents of younger beneficiaries particularly those experiencing homelessness and at risk of homelessness.
- Grow our social investment vehicle, Vital Invest CIC to secure additional seed capital and make further investments to support micro-enterprises established by our HELP beneficiaries.
- Explore opportunities for deeper collaboration and merger with strategic partners.

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**Staffing**

Vital Regeneration currently employs 40 members of staff with the majority now on flexible contract terms to reflect the increasing volatility of the funding environment.

The Human Resources and Remuneration committee is charged with overseeing the annual pay and rewards review of the charity. The Committee receives reports from the Chief Executive on all substantial salary reviews across the organization, with the recommendation of the committee being subject to final ratification by the full board of trustees in the event of the award of pay rises or significant changes to benefits and rewards, affecting the staff team, including all senior management. The Chief Executive will make reference to salary data and bench marking reports from sources including NCVO in all reports to the Human Resources and Remuneration committee.

**Volunteers**

Vital Regeneration recognises the value of volunteering opportunities primarily as routes to increase the ability of beneficiaries to access employment opportunities. In furtherance of this, Vital Regeneration has established strong links with a number of corporate partners including Weils Gotshall and Manges London Business School and Baker st Quarter to source work experience and volunteering opportunities for clients on the HELP project to support their journey from homelessness and benefit dependency into work and economic independence. Via these links, Vital Regeneration has placed beneficiaries in volunteering roles in a number of businesses and institutions.

Vital Regeneration has also engaged a range of highly skilled and experienced professionals from sectors including commercial photography, marketing, law and finance to provide volunteer mentoring support to our beneficiaries.

**FINANCE**

Vital Regeneration grew consistently after becoming a charity in 2005 until 2010. Since 2011 there has been modest managed contraction and consolidation as the external funding environment has been impacted by public sector austerity and increased competition for grants from trusts and foundations.

Full details of the Charity's Financial Performance for 2015 can be found in pages 18 to 33 of this document.

**Financial Management Policies**

Overall financial management of the charity is the responsibility of the Board of Trustees. Executive responsibility lays with the Chief Executive and thence the Head of Finance.

Vital Regeneration's financial management systems are designed to provide reasonable assurance against material misstatement or loss and include:

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
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**31 DECEMBER 2015**

- A business plan and an annual budget approved by the sub-committee and trustees
- Quarterly updated financial forecasts
- Regular consideration by the sub-committee and trustees of the financial results, variance from budgets, non-financial performance indicators and cashflow projections
- Delegation of authority and segregation of duties
- Identification and management of risks.

**Principal Funding Sources**

The principal funding sources of the charity are set out in the Achievements and Performance section above, as well as elsewhere in this report and in the Financial Statements on pages 18 to 33.

**RESERVES POLICY 2015**

Vital Regeneration needs free reserves to:

- cover gaps between incurring expenditure and receiving the corresponding grants for certain projects
- maintain services until new income streams can be found if funding is withdrawn or if other income targets are not reached
- pay for unforeseen expenditure
- innovate and seed fund new projects and undertake research
- provide initial working capital for payment by results programmes

During the year the income and expenditure was reviewed from a risk identification approach. This review was based on an understanding of the income streams and their risk profile, the degree of commitment of expenditure and the overall risk environment in which the charity operates. Trustees kept the position under continuous review in the year.

In 2009, trustees had set an explicit objective to build the charity's level of free reserves, in light of expected changes and challenges in the funding environment. The reserves target set was to achieve a sum equivalent to nine months' core expenditure (general support costs and governance costs). Costly external finance would be required to fund the initial years of the "payment by results" contracts if the charity's reserves were not sufficient.

The reserves target was subsequently revised to the equivalent of six months' income; that is, 50% of annual income against the 31 December 2011 level of 28.8%. The target reflects the continuing challenging external environment, the increase in risk-based funding and the growing footprint of the charity. The level of reserves at 31 December 2015 was 26% (2014: 12%) - that is, Total Funds in the Balance Sheet of £317,322 as at 31 December 2015, represent 26% of total Incoming Resources of £1,241,954 for the year to 31 December 2015.

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**31 DECEMBER 2015**

The hike to 50% should, therefore, be seen as a medium-term target and will be achieved, inter alia, by efficient financial management, effective cost control, the pursuit of additional sources of funding and the insistence on the financial viability of all activities undertaken by the charity.

**RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also the directors of Vital Regeneration for the purposes of company law) are responsible for preparing the Trustees Annual 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

**VITAL REGENERATION  
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**31 DECEMBER 2015**


**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:  
31 Plympton Street  
London  
NW8 8AB



Signed on behalf of the trustees  
Hugh McGeever (Chair)

Date:  August 2016

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL REGENERATION**

**31 DECEMBER 2015**

We have audited the financial statements of Vital Regeneration for the year ended 31 December 2015 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially inconsistent based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

**OPINION ON THE FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;



**VITAL REGENERATION  
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL REGENERATION  
31 DECEMBER 2015**

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and take advantage of the small companies exemption from the requirement to prepare a strategic report



SHIPLEYS LLP  
Chartered Accountants  
& Statutory Auditor  
10 Orange Street  
Haymarket  
London  
WC2H 7DQ

Signed for & on behalf of SHIPLEYS LLP  
SIMON ROBINSON (Senior Statutory Auditor)

date: 15 August 2016

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND  
EXPENDITURE ACCOUNT)**

**31 DECEMBER 2015**

Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>INCOME</b>				
Donations	2	138,899	45,000	183,899
Other trading activities	3	68,009	-	68,009
Income from charitable activities	4	108,535	881,511	990,046
		<u>315,443</u>	<u>926,511</u>	<u>1,241,954</u>
<b>TOTAL INCOME</b>			<u>1,241,954</u>	<u>1,385,120</u>
<b>EXPENDITURE ON:</b>				
Raising funds	5	(154,803)	-	(154,803)
Charitable activities	6	(921)	(881,511)	(882,432)
		<u>(155,724)</u>	<u>(881,511)</u>	<u>(1,037,235)</u>
<b>TOTAL EXPENDITURE</b>			<u>(1,037,235)</u>	<u>(1,267,940)</u>
<b>NET INCOME/ (EXPENDITURE) AND MOVEMENT IN FUNDS FOR THE YEAR RECONCILIATION OF FUNDS</b>	9	159,719	45,000	204,719
Total funds brought forward		159,358	-	159,358
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>319,077</u>	<u>45,000</u>	<u>364,077</u>
			<u>364,077</u>	<u>159,358</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 21 – 33 form part of these financial statements.

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
BALANCE SHEET**

**31 DECEMBER 2015**

	Note	2015 £	£	2014 £	£
<b>FIXED ASSETS</b>					
Tangible assets	12		1,754		581
Investments	13		45,001		-
			<u>46,755</u>		<u>581</u>
<b>CURRENT ASSETS</b>					
Debtors	14	154,693		208,148	
Cash at bank and in hand		<u>541,772</u>		<u>380,910</u>	
		696,465		589,058	
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(379,143)</u>		<u>(430,281)</u>	
<b>NET CURRENT ASSETS</b>			317,322		158,777
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>364,077</u>		<u>159,358</u>
<b>NET ASSETS</b>			<u>364,077</u>		<u>159,358</u>
<b>FUNDS OF THE CHARITY</b>					
Restricted income funds	18		45,000		-
Unrestricted income funds	19		<u>319,077</u>		<u>159,358</u>
<b>TOTAL FUNDS</b>			<u>364,077</u>		<u>159,358</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the trustees on 15<sup>th</sup> August 2016 and are signed on their behalf by:



.....  
Hugh McGeever (Chair)

Company Registration Number: 5403518

**The notes on pages 21 – 33 form part of these financial statements.**

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2015**

**STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2015**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of net income to net cash flow from operating activities:</b>		
<b>Net income for the reporting period</b>	204,719	117,180
<b>Adjustments for:</b>		
Depreciation charges	912	1,807
Loss on the sale fixed assets	-	512
Decrease in debtors	53,454	71,847
Decrease in creditors	(51,138)	(107,003)
<b>Net cash provided by operating activities</b>	<b>207,947</b>	<b>84,343</b>
 <b>Cash flows from operating activities:</b>		
<b>Net cash provided by operating activities</b>	207,947	84,343
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,084)	
Purchase of investments	(45,001)	-
<b>Net cash provided by investing activities</b>	<b>160,862</b>	<b>84,343</b>
 <i>Change in cash in the reporting period</i>	160,862	84,343
Cash at the beginning of the reporting period	380,910	296,567
<i>Cash at the end of the reporting period</i>	<b>541,772</b>	<b>380,910</b>
 <b>Analysis of cash:</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>541,772</b>	<b>380,910</b>

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES**

**General information**

Vital Regeneration is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3.

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Vital Regeneration 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.

The functional currency of Vital Regeneration is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

**Consolidation**

The charity is exempt from the requirement to prepare consolidated accounts as its subsidiary is dormant. Therefore, the accounts show information about the charity as an individual entity.

**Transition to FRS 102**

No material adjustments were required to the opening fund balances at the date of transition on adoption of FRS 102 and the Charities SORP (FRS 102). The transition date was 1 January 2014.

**Preparation of the accounts on a going concern basis**

Vital Regeneration has a robust budget setting process each December to establish a budget for the succeeding calendar year and beyond. Income and expenditure streams are clearly identified in the budgets as "secure" or "speculative", with the latter being tied to the charity's fund raising pipeline for the year (and beyond). The proportion of secure and speculative income is usually in the 80-20 range, a risk ratio which has been successfully managed by the charity over many years.

The ratio for 2016 is however a less satisfactory 60-40, with a fundraising pipeline of around £1.3m being pursued by the charity in the face of a succession of past funding sources either coming to an end, or being terminated by the Charity's primary local authority partner, which is required to make significant cuts to its expenditure.

Trustees have addressed the risk of dependency on speculative income streams, by entering negotiations with a partner charity, which offers the potential to merge Vitals' operational projects into its existing, well-funded and stable London-wide operation. Progress on merger is intended to be complete by December 2016.

**Income**

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

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES (*continued*)**

**Income (*continued*)**

Income from donations and gifts are recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from 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 from other trading activities is recognised when it has been earned. Income which has been received in respect of funding for future financial years or where the performance conditions have not been met are deferred.

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 that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the contribution of volunteers is not recognised and refers to the trustees' annual report for more information about their contribution. 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.

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or where restrictions have been imposed through the terms of an appeal.

**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.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and service for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES (*continued*)**

**Expenditure and irrecoverable VAT (*continued*)**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff costs, IT costs, property and other office costs and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Costs relating to a particular activity are allocated directly and others are apportioned based on an estimate of the proportion of time spent by staff on a specific project or fundraising activity.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer hardware & software - Over three years on a straight line basis

**Investments**

Unlisted investments are recorded in the accounts at cost less impairment.

**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.

**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.

**Creditors and provisions**

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.

**Pension costs**

The company's staging date for the new mandatory Automatic Enrolment pension scheme was 1 October 2015. Since that date the company has contributed 2% of earnings in respect of those employees who participate in the scheme. Such contributions are included in Expenditure in the Statement of Financial Activities.

Employees contribute at the rate of 1%.

**Operating leases**

The charity classifies the lease of photocopiers and office premises as operating leases; the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES (*continued*)**

**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. INCOME FROM DONATIONS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Unrestricted Funds 2014 £</b>
Donors / Gifts	1,349	-	1,349	6,603
Income in kind	137,448	-	137,448	120,687
Central Government	-	-	-	52,650
Corporate Support	-	45,000	45,000	-
Gift Aid	102	-	102	60
	<u>138,899</u>	<u>45,000</u>	<u>183,899</u>	<u>180,000</u>

The company accounts for gifts in kind at the estimated value of the cost to the company.

During the year, the company received gifts in kind in the form of administrative staff, estimated at a value of £30,000 (2014 £30,000), of IT support staff and services, estimated at a value of £67,140 (2014: £63,145), of office rental, estimated at a value of £30,308 (2014: £17,542) and of legal services, estimated at a value of £10,000 (2014: £10,000).

The company benefits from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.



**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**3. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Unrestricted Funds 2014 £</b>
Rental Income	56,356	-	56,356	50,899
Training and Consultancy	11,653	-	11,653	12,127
	<u>68,009</u>	<u>-</u>	<u>68,009</u>	<u>63,026</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
Learning	-	181,100	181,100	185,462
Communities	102,891	338,145	441,036	426,768
Employability	5,644	362,266	367,910	529,864
	<u>108,535</u>	<u>881,511</u>	<u>990,046</u>	<u>1,142,094</u>

Income from charitable expenditure was £990,046 (2014: £1,142,094) of which £108,535 (2014: £274,881) related to unrestricted funds and £881,511 (2014: £867,213) was restricted.

**5. EXPENDITURE ON RAISING FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2015 £</b>	<b>Unrestricted Funds 2014 £</b>
Fundraising	123,540	-	123,540	111,521
Support costs	31,263	-	31,263	17,384
	<u>154,803</u>	<u>-</u>	<u>154,803</u>	<u>128,905</u>

**6. EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Activities undertaken directly £</b>	<b>Support costs £</b>	<b>Total Funds 2015 £</b>	<b>Total Funds 2014 £</b>
Learning	150,633	30,466	181,099	160,386
Communities	287,476	50,670	338,146	468,852
Employability	301,411	61,776	363,187	467,805
	<u>739,520</u>	<u>142,912</u>	<u>882,432</u>	<u>1,097,043</u>

In 2015, expenditure incurred on charitable activities included £921 (2014: £229,830) through Unrestricted Funds, with all other charitable expenditure incurred through Restricted Funds.

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**7. GOVERNANCE COSTS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2015</b>	<b>Unrestricted Funds 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and wages	4,673	14,023	18,696	21,339
Audit fees	1,988	5,962	7,950	7,950
Legal and professional fees	2,510	7,529	10,039	10,423
Sundry expenses	-	-	-	2,280
	<u>9,171</u>	<u>27,514</u>	<u>36,685</u>	<u>41,992</u>

**8. ANALYSIS OF SUPPORT COSTS**

	<b>Learning £</b>	<b>Community £</b>	<b>Employability £</b>
Staff costs	15,420	24,502	31,362
Property costs	-	-	-
IT	3,606	5,729	7,333
Other office costs	5,937	9,434	12,075
Governance costs	5,503	11,005	11,006
	<u>30,466</u>	<u>50,670</u>	<u>61,776</u>

	<b>Fundraising £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Staff costs	13,647	84,931	66,845
Property costs	-	-	8,628
IT	3,191	19,859	39,638
Other office costs	5,254	32,700	49,488
Governance costs	9,171	36,685	41,992
	<u>31,263</u>	<u>174,175</u>	<u>206,591</u>

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**9. NET INCOME / (EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	<b>2015</b>	2014
	<b>£</b>	£
Staff pension contributions	2,448	375
Depreciation	912	1,807
Auditors' remuneration:		
- audit of the financial statements	<u>7,950</u>	<u>7,950</u>

**10. STAFF COSTS AND EMOLUMENTS**

**Total staff costs were as follows:**

	<b>2015</b>	2014
	<b>£</b>	£
Wages and salaries	640,274	779,775
Social security costs	45,778	61,722
Other pension costs	<u>2,448</u>	<u>375</u>
	<u>688,500</u>	<u>841,872</u>

No members of the Board of Trustees received any remuneration or reimbursement of expenses during the year (2014: £nil).

The key management personnel of the charity comprise the Chief Executive Officer, the Deputy Chief Executive Officer and Finance Director. The total employee benefits of the key management personnel of the charity were £149,469 (2014: £143,583).

The aggregate redundancy payments during the year totalled £7,960 (2014: £15,500).

**Particulars of employees:**

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

	<b>2015</b>	2014
	<b>No</b>	No
Full-time staff	10	15
Part-time staff	9	8
Casual staff	<u>24</u>	<u>23</u>
	<u>43</u>	<u>46</u>

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2015**

**10. STAFF COSTS AND EMOLUMENTS (*continued*)**

There was one employee earning more than £60,000 during the year (2014: None).

**11. TAXATION**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**12. TANGIBLE FIXED ASSETS**

	<b>Computer Equipment £</b>
<b>COST</b>	
At 1 January 2015	145,504
Additions	<u>2,085</u>
<b>At 31 December 2015</b>	<u><b>147,589</b></u>
<b>DEPRECIATION</b>	
At 1 January 2015	144,923
Charge for the year	<u>912</u>
<b>At 31 December 2015</b>	<u><b>145,835</b></u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2015</b>	<u><b>1,754</b></u>
At 31 December 2014	<u><b>581</b></u>

**13. INVESTMENTS**

	<b>Programme related investment £</b>
<b>COST</b>	
Additions	<u>45,001</u>
<b>At 31 December 2015</b>	<u><b>45,001</b></u>

During the year, the charity purchased the entire share capital of Vital Invest CIC being 100 ordinary 'A' shares of £0.01 and 45,000 ordinary 'B' shares. Vital Invest CIC, company registered number 09506658, is incorporated in England and Wales and was dormant during the year.

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**13. INVESTMENTS (*continued*)**

Vital Invest CIC:

	<b>2015</b>	2014
	<b>£</b>	£
Aggregate capital and reserves	45,001	-
Profit and loss for the year	-	-

The charity is exempt from the requirement to prepare consolidated accounts as the subsidiary is dormant. Therefore, the accounts show information about the charity as an individual entity.

Vital Regeneration is committed to supporting beneficiaries to increase their economic resilience and independence. Our HELP and Help Enterprise projects support people who have experienced homelessness to become self-employed, or establish a micro-business. In the instance of the latter, many of our beneficiaries have sound business ideas and are entrepreneurial but lack access to initial start-up capital.

Vital Regeneration's social investment policy is focused on providing access to affordable, patient, micro- finance capital for its beneficiaries to enable them to launch and sustain their start-up businesses as a route out of poverty. Vital Regeneration established a wholly owned subsidiary Vital Invest CIC in 2015.

Vital Invest CIC is incorporated by share capital and Vital Regeneration is the sole shareholder of both A (£0.01 per share) and B category shares. In 2015 Vital Regeneration purchased a total of £45,000 of B category (£1.00) shares in Vital Invest CIC with the express purpose of that shareholding being utilised by Vital Invest CIC to make micro-investments into enterprises established by beneficiaries of the charity's HELP projects.

Vital Regeneration does not hold investments in any other entity and focuses its investment activity on developing the capacity of Vital Invest CIC to support micro-enterprises created by beneficiaries of the charity.

**14. DEBTORS**

	<b>2015</b>	2014
	<b>£</b>	£
Trade debtors	60,891	169,535
Other debtors	7,632	7,742
Prepayments and accrued income	86,170	30,871
	<u>154,693</u>	<u>208,148</u>

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2015**

**15. CREDITORS: Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	22,846	4,816
Taxation and social security	27,199	57,982
Accruals and deferred income	329,098	367,483
	<u>379,143</u>	<u>430,281</u>

**16. DEFERRED INCOME**

Deferred income comprises income received in advance in respect of funding for future financial years.

	<b>£</b>
Balance as at 1 January 2015	246,178
Amount released to incoming resources	(246,178)
Amount deferred in the year	200,437
Balance as at 31 December 2015	<u>200,437</u>

**17. PENSIONS**

The company's staging date for the new mandatory Automatic Enrolment pension scheme was 1 October 2015. Since that date the company has contributed 2% of earnings in respect of those employees who participate in the scheme. Such contributions are included in Resources Expended in the Statement of Financial Activities.

Employees contribute at the rate of 1%.

The cost to the charity of providing pensions for the year was £2,448 (2014: £375).

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**18. RESTRICTED INCOME FUNDS**

	Balance at 1 Jan 2015	Income	Expenditure	Balance at 31 Dec 2015
	£	£	£	£
FreqOUT!	-	181,100	181,100	-
Community Spaces Hub	-	125,337	125,337	-
CES	-	212,808	212,808	-
Toynbee Hall	-	218,883	218,883	-
HELP	-	143,383	143,383	-
Vital Invest CIC	-	45,000	-	45,000
	<u>-</u>	<u>926,511</u>	<u>881,511</u>	<u>45,000</u>

**FreqOUT!** Supports young people who are NEET (not in education, employment or training) to experience and explore the creative industries – one of London's major and growing employment sectors.

**Community Spaces Hub** is Vital Regeneration's project which is commissioned by Westminster Council to manage a range of otherwise under-used community buildings on housing estates in Church St

**CES** is Vital Regeneration's community consultation service, commissioned by Westminster, focusing on engaging residents in the regeneration of the Church st neighbourhood.

**Toynbee Hall** – Vital Regeneration supplied consultation services, based on the successful CES model to Toynbee Hall which sought to engage local people in the redevelopment of the historic Toynbee Hall site in East London.

**HELP** – is Vital Regeneration's flagship employment advice and guidance programme, part funded by Westminster council, which helps people who have been homeless and are living in temporary housing, to find employment

**HELP enterprise** is Vital Regeneration's supplementary programme to the core employment offer (HELP) which supports homeless people to start their own micro-enterprises as a route out of poverty.

**Vital Invest CIC** is Vital Regeneration's subsidiary vehicle which provides affordable, micro-investment funds to support homeless entrepreneurs to start their own businesses.

**19. UNRESTRICTED INCOME FUNDS**

	Balance at 1 Jan 2015	Income	Expenditure	Balance at 31 Dec 2015
	£	£	£	£
General Funds	159,358	315,443	155,724	319,077
	<u>159,358</u>	<u>315,443</u>	<u>155,724</u>	<u>319,077</u>

**VITAL REGENERATION  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Tangible fixed assets &amp; investment £</b>	<b>Current assets £</b>	<b>Current liabilities £</b>	<b>Total £</b>
<b>Restricted Income Funds</b>	45,000	200,437	(200,437)	45,000
<b>Unrestricted Income Funds</b>	1,755	496,028	(178,706)	319,077
<b>Total Funds</b>	<u>46,755</u>	<u>696,465</u>	<u>(379,143)</u>	<u>364,077</u>

**21. OPERATING LEASE COMMITMENTS**

At 31 December 2015, the charity had the following operating lease commitments:

Office Premises:

Annual rent of premises at 382 Edgware Road, London £20,000 (2014: nil)

Photocopiers:

One contract for the rent of 2 photocopiers and the maintenance of 3 photocopiers:

£5,038 per annum; expiration date 30 November 2016; total commitment £4,618 due in less than one year (2014: £9,656).

**22. RELATED PARTY TRANSACTIONS**

Residential Management Group and CityWest Homes each have the right to nominate a trustee to the board

H. McGeever, Chair of Vital Regeneration, is also a director of Residential Management Group Ltd. At the balance sheet date an amount of £nil (2014: £nil) was owing to Residential Management Group Ltd. During the year, Residential Management Group Ltd provided gifts in kind to the charity in the form of administration staff at a value of £30,000 (2014: £30,000) and office space at a value of £12,766 (2014: nil). During the year, the charity rented office space from Residential Management Group Ltd at £nil (2014: £8,511).

No other trustee or any other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

**23. COMPANY LIMITED BY GUARANTEE**

The charity is a company limited by guarantee and has no share capital. The liability of the members of the charity on winding up is limited to such amounts as may be required, not exceeding £1 each.



**VITAL REGENERATION  
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**YEAR ENDED 31 DECEMBER 2015**

**24. RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE**

This is the first year that the charity has presented its financial statements under Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 and Charities SORP (FRS 102) was therefore 1 January 2014.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No material adjustments were identified to the opening fund balance at the date of transition or to the statement of financial activities for the prior year.