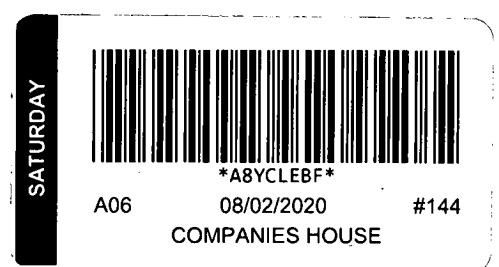


**Activate Community  
and Education Services**  
Company Limited by Guarantee

**Annual Report and Financial  
Statements**

**For The Year Ended  
31 July 2019**



**ACTIVATE COMMUNITY AND EDUCATION SERVICES  
COMPANY LIMITED BY GUARANTEE**

**CONTENTS**

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	Page
Trustees' annual report	2
Independent auditor's report	10
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the accounts	16

# **ACTIVATE COMMUNITY AND EDUCATION SERVICES**

**COMPANY LIMITED BY GUARANTEE**

## **COMPANY INFORMATION**

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<b>Trustees</b>	Mr D Barlow (Chair) Mrs K Thompson Mr K Siviter
<b>Company secretary</b>	Mrs N Corke
<b>Chief Executive</b>	Mrs J Young
<b>Charity number</b>	1123336
<b>Company number</b>	05493554
<b>Registered office</b>	The Bracknell Centre Bracknell Avenue Southdene Kirby L32 9PW
<b>Auditor</b>	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
<b>Bankers</b>	Unity Trust Bank Plc 9 Brindleyplace Birmingham B1 2HB

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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The Trustees present their report and the audited financial statements of the charity for the year ended 31 July 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

**Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

Mrs C Ryder (Resigned 6 December 2018)  
Mr D Barlow  
Mrs K Thompson  
Mr K Siviter

**Aims and Objectives**

Activate was established as a charity and a company limited by guarantee and Charity.

Our aim is to develop the skills and experiences of young people and adults with learning disabilities in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

In order to do this Activate's objectives are:

- To provide a quality education to young people with disabilities
- To promote social inclusion for the public benefit through education and training, specifically those with disabilities and difficulties. By preventing people from becoming socially excluded and supporting those people who are socially excluded and assisting them to integrate into society through education, training and community activities.
- To support employment, volunteering and sustained destinations for young people with disabilities by ways and means suitable to the young people such as:
  - Assistance to find employment;
  - The advancement of education, training or retraining for young people with disabilities.
- To provide space for training and employment opportunities within the local community by the provision of workspace, buildings and/or land for use on favourable terms.

During the financial year the primary target area of benefit was Knowsley borough and the surrounding areas. Activate works with 9 local authorities.



**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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The board of trustees refer to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

**Vision Statement**

An inclusive society for all

**Mission Statement**

To inspire individuals and communities through innovative and engaging services

**Projects**

**Further Education**

Activate primarily operate as a Further Education college specialising in the education of young people with additional needs and disabilities. We are a member of the Natspec (an association for organisations which offer specialist provision for students with learning difficulties and disabilities).

From our own premises in Kirkby and also our own facility in Wirral we are delivering further education provision to around 63 students aged 19-25 with learning difficulties and disabilities. Significant time has been invested in systems, resources and premises to ensure that we are delivering the highest quality provision in line with Ofsted requirements.

As an education programme, Activate focuses on individual timetables built on a support package for each student's need and ambition. Students also work towards qualifications that are specific to their abilities, needs and interests. This year Activate has worked in partnership with Local Authorities to ensure the best possible education and support for our young people.

In the 2018/19 academic year Activate had 21 leavers of which 19 left for a positive destination with the remaining 2 currently NEET due to ill health and awaiting access to chosen social care:

Destination Type	No. of students
Further Education	3
Social Care	10
Vocational/Work Experience	0
Voluntary or paid employment	6
NEET	2
<b>Total</b>	<b>21</b>

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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At Activate each student has a varied timetable filled with subjects and topics that are personal and individualised to meet the needs and outcomes of the young person.

Activate's Education provision primarily focuses on helping students develop employability skills, life skills and independent living skills so that our students can become actively engaged in their local community be it through work, volunteering or more engagement with community leisure activities.

Activate's Education provision primarily focuses on helping students develop employability skills, life skills and independent living skills so that our students can become actively engaged in their local community be it through work, volunteering or more engagement with community leisure activities.

***Activate Futures***



Activate Futures is a personalised study programme which focuses on the skills and experiences needed to pursue an active life in the community. Students take part in a range of experiences such as:

- Work experience
- Volunteering
- Community projects
- Travel training

***Activate Choices***

Activate Choices is a course for students with complex and profound multiple difficulties who require a learning sensory approach to education. Each student has a timetable to develop their individual outcomes and is based on the foundations of choice making. As part of Activate Choices students have access to the following:

- Sessions in a sensory environment
- Communication
- Music
- Art
- Speech and Language
- Hydrotherapy



All subjects and progress is monitored through RARPA (recognising and recording progress and achievement) based systems.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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***Vocational Options***

All courses have full access to the opportunities within Activate. Both courses are delivered differently to meet the needs of each student, but all students have access to the facilities such as:

- Horticulture
- Animal care
- Dog Therapy
- Art
- Drama
- Functional Skills
- Work experience
- Practical Independence Skills
- Enterprise



Functional skills is embedded throughout all subjects.

***Employability***

This year Activate did considerable groundwork for job brokering to ensure more employers are available for all students. This means Activate students have more opportunities with the support they require to access the community.

Number of placement opportunities in 2018/19: 36

Employability enables students to gain transferable skills in preparation for leaving college. All students have access to work opportunities within their local community and supported by a team of staff linked to a qualification.

Employability also works with families and students to develop progression after Activate through a series of information, advice and guidance sessions.



**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**Achievements and Performance**

We are delighted following a second Ofsted inspection in October 2017 Activate was graded as a Good provider. The Ofsted report summarised that Activate demonstrated 'extremely effective' leadership whereby leaders and manager have 'exceptionally high expectations' of staff and students.

Ofsted also made reference to the results in accreditation as good.

The achievement against social targets were 88%, this figure demonstrates that Activate were setting stretching targets for students.

The achievement rate for English and Maths qualifications remained above national average for the SEN sector.

The accredited vocational qualification achievement was 83%.

Overall Activate's retention rate was 95%.

90% of leavers attended work placements both internally and externally.

100% of students enrolled on an education programme showed progress and development over the academic year.

**Student Feedback**

100% of Activate students said that they enjoy their course.

100% of Activate students said they feel safe at Activate.

**Annual Overview**

Continuing on from the development of the infrastructure to deliver individualised timetables the academic year 2018/19 has seen a successful outcome to this, with learners who are able, taking ownership and responsibility to drive their own learning. For learners with more complex needs Activate has been able to create the best possible pathway to their destinations. We are now operating at full capacity and have a waiting list for students for 2019/20.

**Future Plans**

The Company's business strategy for the new financial year will be developed by the Senior Team led by the new CEO. During this financial year Activate has changed to an Independent Specialist Provider (ISP). Activate will continue to develop the further education offer and quality of provision in line with Ofsted objectives and our own vision. Activate are considering the building of an extension to the rear of the building for hydrotherapy, giving the opportunity for more students to access therapies onsite. There are also plans to develop community engagement projects such as a coffee shop, animal visitor centre and gardening area.

A priority for us, building on the skills of our existing trustees will be to replace those who have resigned during the year by the recruitment of 2 new trustees including a trustee with SEN education experience.



**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**Structure, Governance and Management**

Activate is managed by a board that sets strategic direction which is reviewed on a quarterly basis by a team consisting of Trustees, the CEO and Company Secretary. The Senior Management Team implements these strategies whilst maintaining control on the day to day business and responding positively to market conditions and funding availability. In line with our review of changes required to improve performance, the strategic goals and objectives are now linked to the organisation's quality improvement plan. The CEO remuneration is agreed by the Board of trustees whilst pay for the other key management personnel is agreed by the trustees following recommendations from the CEO. Regular benchmarking ensures that pay is comparable to similar roles in similar organisations.

**Audit Committee**

The Board implemented an Audit Committee that meets separately from the timetabled board meetings. The committee's role is to assist the trustees to meet their responsibilities by providing further oversight of internal controls, risk management and financial reporting and through supervision of the quality, independence and effectiveness of both the internal and external auditors.

**Governing Document**

Activate is governed by its Memorandum and Articles which are reviewed on a regular basis to ensure compliance whilst also allowing any potential amendments that may need to be made to reflect the objectives of Activate.

**Company Status**

The company is limited by guarantee and all members have agreed to contribute a sum not exceeding £1 in the event of a winding-up.

**Recruitment and Appointment of Trustees**

Applicants for the role of trustee are reviewed by the board and selection for interview is made. One trustee interviews the proposed trustee along with the CEO. Recommendations are then made to the Board. Proposed new trustees are invited to the next trustee meeting and a decision is made by the current trustees.

**Induction and Training of Trustees**

Induction takes place through planned sessions / meetings initially with the Chair of the board of trustees who will outline the procedures and processes of the board along with specific roles and responsibilities of trustees. The CEO will conduct the general induction regarding an introduction to the activities and programmes delivered by Activate. All new trustees are provided with an induction pack.

**Fundraising standards information**

Activate occasionally carries out events such as Christmas Fairs which raise funds for the charity. The trustees have considered the requirements of the Charities (Protection and Social Investment) Act 2016 regarding disclosures concerning fundraising and fundraising standards and consider that no further disclosures are required in relation to our fundraising activities due to the level and type of fundraising undertaken by the charity.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**Financial Review**

The level of income for education in the financial year ending 31 July 2019 has remained stable. It is anticipated that this will continue for the next financial year as student numbers have remained consistent.

The social care provision introduced in July 2018 has generated around 10% of income in the current year and it is anticipated that this will continue at the same level next year.

**Reserves Policy**

At 31 July 2019 the charity had reserves of £1,029,167 (2018: £796,565) of which £197,954 (2018: £171,305) was restricted, £358,450 (2018: £229,000) was designated in relation to various projects as detailed below and £472,763 (2018: £396,260) was unrestricted. Unrestricted reserves include £24,439 (2018: £11,186) held as fixed assets.

It is the policy of Activate that unrestricted reserves should be maintained at a level equivalent to twelve months expenditure on service delivery and fixed office overheads. It is Activate's intention to ensure reserves are built up each year to enable the organisation to get to this position. Activate is currently holding just over 8 months of reserves.

**Designated Reserves**

The amount held in designated reserves is for the following expenditure:

- Additional works required to repair and renovate the roof
- Extension for Hydro Pool
- Hydro Pool
- Gates
- Portacabin – Social Enterprise
- Classroom

**Risk Management**

Risk management is a standard agenda item at quarterly board meetings. Activate trustees consider risk management an integral part of governance and to ensure the organisations survival in a time of change and development it is imperative that an accurate risk register is in place.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**Trustees' responsibilities statement**

The trustees (who are also directors of Activate Community and Education Services 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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.

**Auditor**

A resolution to re-appoint MHA Moore and Smalley as auditor for the ensuing year will be proposed at the Annual General Meeting.

**Small company rules**

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

This report has been approved by the Board of Trustees and is signed on its behalf.

  
.....

On behalf of the board of trustees

**Mr D Barlow**

**Trustee**

Date..... 20/11/19 .....

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**Opinion**

We have audited the financial statements of Activate Community and Education Services (the 'charitable company') for the year ended 31 July 2019 which comprise the statement of financial activities, the balance sheet, the cash flow statement and 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 charitable company's affairs as at 31 July 2019, 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 charitable company 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 were:

- 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 charitable company'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.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2019**

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**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

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.

**Opinions 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 directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES  
FOR THE YEAR ENDED 31 JULY 2019**

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**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9 the trustees (who are also the 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, and for such internal control as the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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](http://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 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.

  
.....  
**Tracey Johnson (Senior Statutory Auditor)**  
**For and on behalf of**  
**MHA Moore and Smalley**  
**Chartered Accountants and Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Date 20 November 2019

**ACTIVATE COMMUNITY AND EDUCATION SERVICES****COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 JULY 2019**

	Notes	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<b>Income from:</b>						
Donations and legacies	3	2,998	-	-	2,998	3,329
Charitable activities	4	1,436,494	-	34,495	1,470,989	1,259,577
<b>Total income</b>		1,439,492	-	34,495	1,473,987	1,262,906
<b>Expenditure on:</b>						
Charitable activities	5	1,227,989	5,550	7,846	1,241,385	1,114,175
<b>Total expenditure</b>		1,227,989	5,550	7,846	1,241,385	1,114,175
<b>Net income/(expenditure)</b>		211,503	(5,550)	26,649	232,602	148,731
Transfer between funds		(135,000)	135,000	-	-	-
<b>Net movement in funds</b>		76,503	129,450	26,649	232,602	148,731
<b>Reconciliation of funds</b>						
Fund balances at 1 August 2018		396,260	229,000	171,305	796,565	647,834
<b>Fund balances at 31 July 2019</b>		472,763	358,450	197,954	1,029,167	796,565

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES****COMPANY LIMITED BY GUARANTEE****BALANCE SHEET****AS AT 31 JULY 2019**

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	10		187,898		182,491
<b>Current assets</b>					
Debtors	11	79,341		105,281	
Cash at bank and in hand		<u>952,831</u>		<u>680,704</u>	
		1,032,172		785,985	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<u>(190,903)</u>		<u>(171,911)</u>	
<b>Net current assets</b>			<u>841,269</u>		<u>614,074</u>
<b>Total assets less current liabilities being net assets</b>			<u>1,029,167</u>		<u>796,565</u>
<b>The funds of the charity</b>					
Restricted funds	16		197,954		171,305
<b>Unrestricted funds – designated</b>					
General fund	17	358,450		229,000	
<b>Unrestricted funds – general</b>					
General unrestricted funds		<u>472,763</u>		<u>396,260</u>	
Total unrestricted funds			<u>831,213</u>		<u>625,260</u>
<b>Total charity funds</b>	18		<u>1,029,167</u>		<u>796,565</u>

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

These accounts were approved and authorised for issue by the trustees on 20/11/19 and are signed on their behalf by:



Mr D Barlow  
Trustee

Company Registration No. 05493554



**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2019**

	2019 £	2018 £
<b>Cashflows from operating activities</b>		
Net movement in funds	232,602	148,731
Depreciation	14,520	18,813
Decrease/(increase) in debtors	25,940	45,729
(Decrease)/increase in creditors	18,992	(953)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	292,054	212,320
	<hr/>	<hr/>
<b>Cashflows from investing activities:</b>		
Purchase of tangible fixed assets	(19,927)	(8,469)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(19,927)	(8,469)
	<hr/>	<hr/>
<b>Increase in cash and cash equivalents in the year</b>	272,127	203,851
Cash and cash equivalents at 1 August	680,704	476,853
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 July</b>	952,831	680,704
	<hr/>	<hr/>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	166	522
Cash at bank	952,665	680,182
	<hr/>	<hr/>
	952,831	680,704
	<hr/>	<hr/>

# **ACTIVATE COMMUNITY AND EDUCATION SERVICES**

## **COMPANY LIMITED BY GUARANTEE**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 JULY 2019**

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## **1 Accounting policies**

### **Charity information**

Activate Community and Education Services is a private company limited by guarantee incorporated in England and Wales. The registered office is The Bracknell Centre, Bracknell Avenue, Southdene, Kirkby L32 9PW.

### **1.1 Accounting Convention**

The accounts have been prepared in accordance with the charity's Memorandum & Articles, 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 (FRS102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 January 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### **1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Grants and contracts, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. Fixed assets donated to the charity are included as donation income at market value at the time of receipt. Assistance in the form of voluntary help is not quantifiable, and accordingly not dealt with in the accounts.

# ACTIVATE COMMUNITY AND EDUCATION SERVICES

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

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#### **1 Accounting policies (continued)**

##### **1.5 Expenditure**

Expenditure reflects all amounts paid and accrued during the year. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. All costs are allocated between the expenditure categories of the Statement of Financial Activities (SOFA) on a basis designed to reflect the use of the resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services 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.

Governance costs represent costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

##### **1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Items of less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	over the remaining period of the lease
Fixtures, fittings and equipment	25% p.a. on a straight line basis
Computer equipment	33% p.a. on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### **1.7 Impairment of fixed assets**

At each reporting 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).

##### **1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

##### **1.9 Financial instruments**

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

# ACTIVATE COMMUNITY AND EDUCATION SERVICES

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

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#### 1 Accounting policies (continued)

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Basic financial liabilities***

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a financial cost in net income/(expenditure) in the period it arises.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**1 Accounting policies continued**

**1.11 Employee benefits**

The cost of any unused holiday entitlements is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The contributions are charged as an expense as they fall due.

**1.13 Taxation**

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from qualifying income and from receipts under Gift Aid.

The charity is not able to recover Valued Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision both current and future periods.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**3 Donations and legacies**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Donations and gifts	2,998	3,329
	<u>          </u>	<u>          </u>

The donations and gifts received in both years were unrestricted.

**4 Charitable activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Educational programmes	1,326,968	1,259,577
Adult Social Care programmes	144,021	-
	<u>1,470,989</u>	<u>1,259,577</u>

**Analysis by fund**

Unrestricted funds – general	1,436,494	1,259,577
Restricted funds	34,495	-
	<u>1,470,989</u>	<u>1,259,577</u>

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

**5 Charitable activities**

	<b>Educational Programmes £</b>	<b>Adult Social Care Programmes</b>	<b>2019 £</b>	<b>2018 £</b>
Staff costs	711,464	67,021	778,485	650,906
Depreciation and impairment	7,846	-	7,846	13,490
Premises costs	62,829	-	62,829	81,880
Office costs	2,852	1,510	4,362	8,833
Project expenses and course fees	64,523	-	64,523	43,628
Other costs	27,442	-	27,442	21,684
	<u>876,956</u>	<u>68,531</u>	<u>945,487</u>	<u>820,421</u>
Share of support costs (see note 6)	254,493	28,358	282,851	283,117
Share of governance costs (see note 6)	<u>11,739</u>	<u>1,308</u>	<u>13,047</u>	<u>10,637</u>
	<u>1,143,188</u>	<u>98,197</u>	<u>1,241,385</u>	<u>1,114,175</u>
<b>Analysis by fund</b>				
Unrestricted funds – general	1,129,792	98,197	1,227,989	1,100,685
Unrestricted funds – designated	5,550	-	5,550	-
Restricted funds	<u>7,846</u>	<u>-</u>	<u>7,846</u>	<u>13,490</u>
	<u>1,143,188</u>	<u>98,197</u>	<u>1,241,385</u>	<u>1,114,175</u>

In the prior year all expenditure on charitable activities related to Educational Programmes.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**6 Support costs**

	<b>Support costs £</b>	<b>Governance costs £</b>	<b>2019 £</b>	<b>2018 £</b>
Staff costs	162,878	-	162,878	159,590
Depreciation	6,674	-	6,674	5,323
Premises costs	22,441	-	22,441	24,644
Office costs	48,586	-	48,586	48,322
Other costs	42,272	-	42,272	45,238
Audit fees	-	6,110	6,110	4,000
Accountancy	-	3,027	3,027	4,780
Legal and professional	-	3,910	3,910	1,857
	<u>282,851</u>	<u>13,047</u>	<u>295,898</u>	<u>293,754</u>
Analysed between:				
Educational programmes	254,493	11,739	266,232	293,754
Adult Social Care programmes	<u>28,358</u>	<u>1,308</u>	<u>29,666</u>	-
	-	-	-	-
Charitable activities	<u>282,851</u>	<u>13,047</u>	<u>295,898</u>	<u>293,754</u>

The support and governance costs have been allocated between Educational programmes and Adult Social Care programmes on the basis of their respective income levels.



**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**7 Auditor's remuneration**

The analysis of auditor's remuneration is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Fees payable to charity's auditors</b>		
Audit of the annual accounts	4,200	4,000
	<hr/>	<hr/>
<b>Non-audit services</b>		
All other non-audit services	3,500	4,780
	<hr/>	<hr/>

**8 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the year. One trustee was reimbursed travel expenses of £211 during the year (2018: One trustee was reimbursed £210). During the year the charity paid £3,774 for training services to a company of which one of the trustees is a director.

**9 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Direct charitable	56	50
	<hr/>	<hr/>
<b>Employment costs</b>		
Wages and salaries	828,278	735,992
Social security costs	57,259	44,226
Other pension costs	19,858	15,491
	<hr/>	<hr/>
	905,395	795,709
	<hr/>	<hr/>

There were no employees whose annual remuneration was £60,000 or more in either year.

# ACTIVATE COMMUNITY AND EDUCATION SERVICES

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 JULY 2019

#### 9 Employees (continued)

The remuneration of key management personnel is as follows:

	2019 £	2018 £
Aggregate remuneration	105,112	154,621

The decrease in remuneration is due to changes in the senior management structure.

#### 10 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 August 2018	210,560	104,467	20,162	335,189
Additions	-	17,280	2,647	19,927
At 31 July 2019	210,560	121,747	22,809	355,116
<b>Depreciation and impairment</b>				
At 1 August 2018	37,951	95,084	19,663	152,698
Depreciation charged in the year	7,846	5,377	1,297	14,520
At 31 July 2019	45,797	100,461	20,960	167,218
<b>Carrying amount</b>				
At 31 July 2019	164,763	21,286	1,849	187,898
At 31 July 2018	172,609	9,383	499	182,491

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

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**11 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	67,141	91,614
Prepayments and accrued income	12,200	13,667
	<u>79,341</u>	<u>105,281</u>

**12 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Taxation and social security	13,243	10,689
Deferred income	55,195	48,807
Trade creditors	36,932	44,475
Other creditors	7,238	3,237
Accruals	78,295	64,703
	<u>190,903</u>	<u>171,911</u>

**13 Deferred income included in the financial statements**

Deferred income is included in the financial statements as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Total deferred income at 1 August	48,807	33,364
Amounts received in year	34,351	33,191
Amounts credited to statement of financial activities	<u>(27,963)</u>	<u>(17,748)</u>
Total deferred income at 31 July	<u>55,195</u>	<u>48,807</u>

Income has been deferred where charitable activities funding has been received in relation to the following financial period.

**14 Agency arrangements**

The School distributes 16-19 bursary funds to students as an agent for the ESFA. During the year the School received £5,672 (2018: £5,565) and disbursed £6,008 (2018: £1,591) from the fund. An amount of £16,614 (2018: £16,950) is included in other creditors relating to undistributed funds that is repayable to the ESFA if requested.

# ACTIVATE COMMUNITY AND EDUCATION SERVICES

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 JULY 2019

#### 15 Pensions

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £19,858 (2018: £15,491). The whole of this expense is allocated to unrestricted funds.

#### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current year	Movement in funds			Balance at 31 July 2019 £
	Balance at 1 August 2018 £	Income £	Expenditure £	
Social Investment Business	148,037	-	(6,788)	141,249
Veolia	23,268	-	(1,058)	22,210
DfE School Capital Funding	-	34,495	-	34,495
	171,305	34,495	(7,846)	197,954

Prior year	Movement in funds			Balance at 31 July 2018 £
	Balance at 1 August 2017 £	Income £	Expenditure £	
Social Investment Business	160,469	-	(12,432)	148,037
Veolia	23,236	-	(1,058)	23,268
	184,795	-	(13,490)	171,305

#### Restricted funds descriptions

- Social Investment Business – funding received for capital restoration works to the building.
- Veolia – grant towards portacabin renovation for the Community Growing Project.
- DfE Capital Funding – funding received from the Department for Education for capital and maintenance projects.

# ACTIVATE COMMUNITY AND EDUCATION SERVICES

## COMPANY LIMITED BY GUARANTEE

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 JULY 2019

#### 17 Designated funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Current year	Balance at 1 August 2018 £	Movement in funds			Balance at 31 July 2019 £
		Income £	Expenditure £	Transfers £	
Roof repairs	109,000	-	-	-	109,000
Extension for hydrotherapy pool	50,000	-	-	100,000	150,000
Hydrotherapy pool	15,000	-	-	35,000	50,000
Sensory garden	10,000	-	-	(10,000)	-
Gates	5,000	-	-	-	5,000
Portacabin	30,000	-	-	-	30,000
Life skills room	10,000	-	(5,550)	10,000	14,450
	229,000	-	(5,550)	135,000	358,450

Prior year	Balance at 1 August 2017 £	Movement in funds			Balance at 31 July 2018 £
		Income £	Expenditure £	Transfers £	
Roof repairs	109,000	-	-	-	109,000
Extension for hydrotherapy pool	-	-	-	50,000	50,000
Hydrotherapy pool	-	-	-	15,000	15,000
Sensory garden	-	-	-	10,000	10,000
Gates	-	-	-	5,000	5,000
Portacabin	-	-	-	30,000	30,000
Life skills room	-	-	-	10,000	10,000
Classroom fund	20,000	-	(18,274)	(1,726)	-
	129,000	-	(18,274)	118,274	229,000

#### Designated funds descriptions

In the prior year £120,000 was designated for various planned projects as detailed above, in addition to brought forward designated funds of £129,000. In the current year a further £145,000 was designated for these projects. The trustees decided to transfer £10,000 which was designated for a sensory garden back to unrestricted funds in the year.

In the current year expenditure of £5,550 was incurred which was allocated to the life skills fund.

**ACTIVATE COMMUNITY AND EDUCATION SERVICES**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

**18 Analysis of net assets between funds**

	Unrestricted £	Designated £	Restricted £	Total £
<b>Fund balances at 31 July 2019 are represented by:</b>				
Tangible assets	24,439	-	163,459	187,898
Current assets/(liabilities)	448,324	358,450	34,495	841,269
	<u>472,763</u>	<u>358,450</u>	<u>197,954</u>	<u>1,029,167</u>
	<b>Unrestricted £</b>	<b>Designated £</b>	<b>Restricted £</b>	<b>Total £</b>
<b>Fund balances at 31 July 2018 are represented by:</b>				
Tangible assets	11,186	-	171,305	182,491
Current assets/(liabilities)	385,074	229,000	-	614,074
	<u>396,260</u>	<u>229,000</u>	<u>171,305</u>	<u>796,565</u>

**19 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2019 £</b>	<b>2018 as restated £</b>
Within one year	837	528
Between two and five years	<u>780</u>	<u>57</u>
	<u>1,617</u>	<u>585</u>

The charity leases premises in Kirkby at a peppercorn rent but is responsible for keeping the property in a good and substantial repair and condition. The lease terms, as amended in June 2014, also include the requirement for the charity to meet specified outcomes for the delivery of services.

**20 Related party transactions**

There were no related party transactions apart from any disclosed in Notes 8 and 9 relating to the trustees.