

REGISTERED COMPANY NUMBER: 5822301 (England and Wales)
REGISTERED CHARITY NUMBER: 1116773

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
HALOW PROJECT



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HALLOW PROJECT

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HALOW PROJECT

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2016

TRUSTEES

Martin Ronald Day
Susan Marie Georgie Hill
Matthew Mearthur
Richard Iain Meins
Timothy Michael Oliver
John Stevens

COMPANY SECRETARY

Richard Iain Meins

REGISTERED OFFICE

Carroll House
11 Quarry Street
Guildford
Surrey
GU1 3UY

REGISTERED COMPANY NUMBER

5822301 (England and Wales)

REGISTERED CHARITY NUMBER

1116773

INDEPENDENT EXAMINER

Darren Harding ACA FCCA DChA
Richard Place Dobson Services Limited
Chartered Accountants
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

HALOW PROJECT

REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and activities

The charity's activities are to support young people with a learning disability to live life as independently as they can. We aim to achieve this by supporting them to engage in meaningful education and learning activities, gain meaningful employment, live independently in homes they choose, build a social network and ultimately become an integral part of their community.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. Two trustees attended safeguarding training in 2014.

Significant activities

The principal activity of the charity in the year under review was to provide benefit to young people with a disability in the Surrey area and surrounds.

The halow project is a registered charity dedicated to creating opportunities and supporting young people aged 16-35 with a learning disability so that they are able to live independent, meaningful, fulfilled lives and become more involved in their local community.

The young people we work with want the opportunity to:

- Build relationships
- Become part of the community
- Find meaningful employment
- Have a home of their own

halow project is a registered charity providing opportunities and support for young people to access social activities, community based learning and work like experiences. Our work is funded through a mixed model of fees, fundraising and enterprise.

Our social enterprise, halow care, is a not-for-profit community interest company which runs alongside the halow project. halow care provides 1:1 support for young people through our halow Buddy Service and Supported Living Service. We aim that any surplus from these services should support our charitable activities.

Public benefit

The charity's trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, they have considered how planned activities will contribute to the aims and objectives they have set.

HALOW PROJECT

REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

halow project business priorities for 2016

As reported previously, 2015 saw good progress on a number of strategic priorities. 2016 saw an increased focus on development of programmes and quality of services as well as further investment on infrastructure especially our recruitment, training and staff welfare. As part of this work Trustees and managers reviewed the last strategic plan and developed a new plan for 2017-2019 through a Staff Away Day and Trustee Away Day and follow up meetings.

The strategic review in 2014 identified five priorities for the next three years, namely to;

1. Reach out to more young people between 16-19 years old bridging out from school and college into the community, and develop a deeper engagement with parents.
2. Develop our programmes Building Futures and A Reason To Get Up, building on the successes and learnings of the last few years.
3. Embed seeking and matching young people with meaningful employment opportunities across all our programmes.
4. Continue to develop our social enterprise, halow care, increasing the turnover of our halow Buddy and halow Supported Living services, to support our charitable work. (Please see halow care accounts for this report)
5. Improve our impact by investing in our infrastructure, systems and support for our staff and volunteers.

The Trustees are pleased to report progress in all areas identified in 2016. In particular the key areas of focus were items 2 and 5.

1. Reach out to more young people between 16-19 years old bridging out from school and college into the community and develop a deeper engagement with parents

Closer relationships with schools and regular communications with schools and their SENCO were further developed through email updates and visits by our Social Activities team. halow was represented at two Transition Events in Surrey and at parent conferences and were invited to speak at other provider meetings in Surrey. The offer of free taster sessions, assemblies and working proactively internally and externally to support young people to access funds for social activities where possible further improved this goal.

Across 2016 over 100 young people took part in halow's Social Activities programme, across our varied day time, evening and weekend sessions and trips.

Across the year the development of our Fit for Life programme, encouraging young people to engage in active fun activities to benefit their physical and mental health and wellbeing, secured funding for an increased programme of a weekly sports group, sports tasters sessions and sports coaching partnerships with Harlequins Foundation, Surrey Wheels 4 All and Guildford Archery. This Sport for Life programme funded by Sport England had been accessed by 40 young people by the end of 2016.

We are very grateful to all our funders who support this vital element of our core provision for young people. Special thanks go to Surrey Short Breaks and Sport England for their funding in support of the Social Activities to ensure a lively and engaging social programme throughout the year for all ages.

2. Develop our programmes Building Futures and A Reason To Get Up, building on the successes and learnings of the last few years.

Building Futures

At the beginning of 2016 a recruitment plan for a new Building Futures Manager was put into place to recruit a manager to oversee the development of this one year course (our community based life skills and personal development course) into a three year rolling programme which would provide the opportunity for young people to enjoy an intensive three year programme to develop their independence skills and move them on to longer term opportunities. This allows young people to develop with the programme at their own pace and either to join at different years or move on from one to the other as required.

HALOW PROJECT

REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In May the new manager was in place and the curriculum written. Twenty young people were recruited for Year A and Year B to start in September 2016. To support the programme Year Leaders and Support/Project workers for each group were also recruited.

New community delivery partners were identified to link the programme into community organisations to support the programme. These included Wild Learning and Barclays Lifeskills who we are delighted to add to our range of local partners working with our young people.

The curriculum remained based around the focus on key session themes to enable young people to share, learn and explore their own talents and strengths and work together to move themselves forward in all areas to enable them to create their own person centred plans. The personalised approach to ongoing planning across the year and use of small peer groups continues to allow the programme to make excellent progress for young people.

A Reason To Get Up

For young people who are no longer in full time education there is a need for meaningful daytime activities. halow's A Reason To Get Up fulfils this need whilst also working with young people on their own personal goals which can include becoming ready for work and applying for jobs. In 2016 A Reason To Get Up provided activities focusing on health and fitness, horticulture, IT skills and arts and crafts. In 2016 there was a review of the content of the sessions and a move to see a change of community partners to help deliver these. A new programme was put together to be delivered from 2017.

The engagement pathways for this programme focus on the model of meaningful activities with shared team goals and individual goals, tangible results with opportunities for showcasing talents linking in with the Fundraising & Communications team for opportunities with local organisations/businesses.

The sessions are small group sessions and across 2016 between 30 and 40 young people accessed A Reason to Get Up developing their confidence, independence, creative and IT skills. Several young people had interviews for paid work, developed their CV's or moved into their own home.

3. Embed seeking and matching young people with meaningful employment opportunities across all our programmes

In March 2016 we launched our Disability Works campaign with an event at the House of Commons hosted by Anne Milton MP. Working with Citigroup we announced our Disability Works campaign which would work across our programmes to help young people get ready to work whilst engaging with local businesses to forge opportunities for work place visits, work experience and paid work for young people with a learning disability.

We recognise that our work across all programmes develops Employability skills for young people including confidence, teamwork, leadership as well as building stamina for regular work and discussing expectations of employers. For those young people who want to work we can work towards this within their personal goals and aim to create opportunities for them through our supporter network.

During 2016 we also joined the Steering Group for the SEND Employment Project - a joint project run by Surrey Youth Forum and Surrey Chamber of Commerce aiming to increase employment for young people with learning disabilities in Surrey. This initiative is currently exploring how providers and employers in Surrey can work together on this.

Through this initiative Waitrose Guildford put on a work experience placement for eligible young people. Two young people had a part time placement with Waitrose, learning a vast array of skills and learning about the expectations of employers and how to work in a team. Following the completion of this work placement both young people went on to successfully apply for and secure paid work. We are indebted to Waitrose for this valuable experience and support given to the young people involved. We continue to seek partnerships with local employers to create opportunities for young people.

HALOW PROJECT

REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

ACHIEVEMENT AND PERFORMANCE

Charitable activities

4. Continue to develop our social enterprise, halow care, increasing the volume of our halow Buddy and halow Supported Living services, to support our charitable work

The details of progress in this area are presented in the 2016 accounts for halow care.

5. Improve our impact by investing in our infrastructure, systems and support for our staff and volunteers.

In 2016 we continued with our three priorities within this area namely

- 1) Recruitment and HR
- 2) Quality of delivery and Outcomes for young people
- 3) Financial management and development of the governance of the organisation

Recruitment and HR

Staff across both halow project and its sister organisation, halow care, were affected by the various challenges in halow care due to care sector wide contractual issues, impacting staff morale and financial requirements. In January 2016, with the new post of Head of Business Support and Development and with the aid on an external consultant, a review of HR and Recruitment took place which led to a new improved recruitment process, induction and training plan for new recruits as well as an organisation-wide training plan being put into place. In addition the Staff Welfare agenda sought to ensure we improved retention of staff researching possible staff benefit schemes, planning for the auto-enrolment pension and arranging a Staff Away Day and staff socials. We also reviewed our IT support and infrastructure and developed a project to develop this in early 2017.

Quality and Outcomes:

Recognising that our staff are our primary asset in delivering our quality services, our commitment to their training, supervision and development was renewed.

With an impending CQC inspection we took the opportunity to have an CQC Audit carried out by an independent adviser to ensure that our regulated services continue to be on target for our inspection. This commitment to continuous improvement was commended by our inspector when the visit took place in November in 2016 giving an overall rating of GOOD. (See more details in our halow care accounts)

Financial Management:

The focus on robust accounting systems and business centre analysis for the Trustees governance continued throughout 2016, bringing in house the ability to produce our own management accounts and begin to look at future business models for our services. The board of Trustees introduced a Finance Sub Committee meeting quarterly to review remuneration, budgets, tracking and business analysis. This Sub Committee also reviews the management accounts prior to the full Trustee Meeting.

Governance:

2016 also saw a Governance Audit carried out by an external adviser and an action plan to ensure the organisation (and its sister organisation halow care) would be ready for the changes coming up in charity legislation and governance best practice. A review of Memorandum and Articles took place during 2016, as well as a board Trustee recruitment strategy to be actioned in 2017.

In 2016 across the charity we provided 12,900 hours of activities, care and support for young people accessing our programmes.

HALOW PROJECT

REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

ACHIEVEMENT AND PERFORMANCE

Feedback from young people and families on halow staff continues to be good, remarking on the positive relationships formed, the progress made towards their goals and the safety and happiness of young people accessing halow project services. Quotes from young people and parents from 2016 include:

"I would recommend them to anyone needing support or anything"

"The support is spot on, the young people are always given choice"

"I love halow because Building Futures helps me to learn new skills"

"I love the social activities and going bowling"

"halow means the world to me"

"I love halow because it helps people get jobs and I get to meet new friends."

Thank you to all our young people, families, staff, volunteers, commissioners, funders and supporters for your support for our work this year.

We are grateful to all those who have been a part of this charity and we hope you will continue to join us in meeting meet the ongoing challenges of nurturing and enabling independence in young people with a learning disability in Surrey and surrounds.

FINANCIAL REVIEW

Financial review

The financial accounts for the year ended December 2016 show net outgoing resources of £35,535 (2015: net incoming resources of £104,050) as shown on the Statement of Financial Activities on Page 9.

Income decreased by £63,972 (12%) over 2015. It was derived from several sources including charitable activities, trusts and grants. Main fundraising activities during the year included halow's annual bike ride raising in excess of £70K, a Houses of Parliament dinner hosted by Anne Milton MP raising over £30k and the annual karting event which raised approximately £20K. halow also continued to engage with more grant making trusts and companies as part of its fundraising activities.

The charity was pleased to donate £35k to halow care to underwrite the set-up costs of opening two new supported living houses in 2016.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee, incorporated on 19 May 2006 and registered as a charity. The company was established under a Memorandum of Association which defined the objects and powers of the charitable company and is governed under its Articles of Association.

HALOW PROJECT

REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr M Day
Mr T Oliver
Mr J Stevens
Mrs S Hill
Mr R Meins
Mr M McArthur

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. The Trustees are not subject to retirement by rotation. The Trustees are formally elected to the Board of Trustees at a full meeting of the Trustees.

Recruitment and appointment of new trustees

Current Trustees are already familiar with the practical work of the charity. Prior to the appointment as a new Trustee, the candidate is met by individual Trustees and officers of the charity to ensure that he/she is fully aware of the requirements and the statutory duties of a Trustee, and to ensure that the person is suitable to hold such an appointment.

Organisational structure

halow project has a management team that met approximately every 6 weeks in 2014. It is responsible for the strategic direction and policy of the charity. At present the committee has 6 members from a variety of professional backgrounds relevant to the work of the charity. A scheme of delegation is in place and day to day responsibility rests with the Director. The Directors are responsible for ensuring that the charity delivers the services specified and has responsibility for day to day operational management.

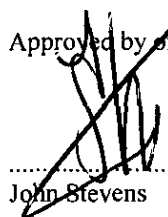
Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Management Committee regularly discusses the major risks to which the charity is exposed. Systems and procedures have been established to mitigate the risks the charity faces. A strategic fundraising plan developed in 2014 focuses on diversity of funding and activities to mitigate these risks, should they occur. Internal cost control risks are minimised by the implementation of procedures for overseeing and authorising major transactions and projects.

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

Approved by order of the board of trustees on 19 June 2017 and signed on its behalf by:


.....
John Stevens

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HALOW PROJECT

I report on the accounts for the year ended 31 December 2016 set out on pages nine to nineteen.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants England & Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

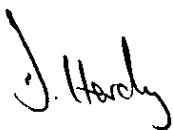
In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the 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)

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Darren Harding ACA FCCA DChA
Richard Place Dobson Services Limited
Chartered Accountants
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Date: 26/07/17

HALLOW PROJECT

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the Year Ended 31 December 2016

		Unrestricted fund £	Designated fund £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
INCOME FROM	Notes					
Charitable activities	3					
Building Futures		132,972	-	-	132,972	69,551
Social Activities		28,351	-	-	28,351	26,524
A Reason To Get Up		7,718	-	-	7,718	16,425
Fundraising activities	2	<u>265,791</u>	<u>-</u>	<u>48,192</u>	<u>313,983</u>	<u>434,496</u>
Total		434,832	-	48,192	483,024	546,996
 EXPENDITURE ON						
Raising funds		132,208	-	-	132,208	173,837
Charitable activities	4					
Building Futures		166,596	-	7,500	174,096	116,237
Social Activities		130,720	-	46,535	177,255	152,872
Grants		<u>-</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Total		429,524	35,000	54,035	518,559	442,946
 NET						
INCOME/(EXPENDITURE)		5,308	(35,000)	(5,843)	(35,535)	104,050
Transfers between funds	13	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net movement in funds		7,808	(37,500)	(5,843)	(35,535)	104,050
 RECONCILIATION OF FUNDS						
Total funds brought forward		215,764	37,500	12,668	265,932	161,882
 TOTAL FUNDS CARRIED FORWARD		<u>223,572</u>	<u>-</u>	<u>6,825</u>	<u>230,397</u>	<u>265,932</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

HALOW PROJECT**BALANCE SHEET**
At 31 December 2016

		Unrestricted fund	Designated fund	Restricted funds	31.12.16 Total funds	31.12.15 Total funds
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	10	4,161	-	-	4,161	3,677
CURRENT ASSETS						
Debtors	11	179,010	-	-	179,010	156,183
Cash at bank		<u>173,486</u>	<u>-</u>	<u>6,825</u>	<u>180,311</u>	<u>243,264</u>
		352,496	-	6,825	359,321	399,447
CREDITORS						
Amounts falling due within one year	12	(133,085)	-	-	(133,085)	(137,192)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>219,411</u>	<u>-</u>	<u>6,825</u>	<u>226,236</u>	<u>262,255</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>223,572</u>	<u>-</u>	<u>6,825</u>	<u>230,397</u>	<u>265,932</u>
NET ASSETS		<u>223,572</u>	<u>-</u>	<u>6,825</u>	<u>230,397</u>	<u>265,932</u>
FUNDS	13					
Unrestricted funds:						
General fund					223,572	215,764
Designated fund					<u>-</u>	<u>37,500</u>
					223,572	253,264
Restricted funds					<u>6,825</u>	<u>12,668</u>
TOTAL FUNDS					<u>230,397</u>	<u>265,932</u>

The notes form part of these financial statements

HALOW PROJECT

BALANCE SHEET - CONTINUED At 31 December 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

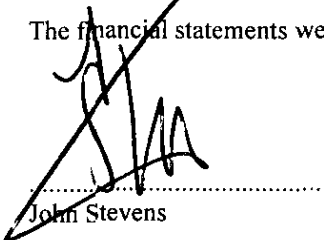
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees on 19 June 2017 and were signed on its behalf by:



.....
John Stevens

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the income can be quantified with reasonable accuracy.

Donations, gifts and legacies are included in full in the Statement of Financial Activities when receivable. Legacies are recognised when the charity becomes unconditionally entitled to them.

Investment income is included when received.

Income from charitable activities and activities for generating funds include fundraising event income and grants receivable. Fundraising event income is recognised when received, whilst grants are credited to the Statement of Financial Activities in the year in which the charity becomes entitled to them.

Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure is inclusive of VAT.

Costs of generating funds comprise the costs associated with attracting donations and legacies and the cost of trading for fundraising purposes.

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

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 services and those costs of an indirect nature necessary to support them.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% straight line
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All assets costing more than £100 are capitalised.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds set aside at the discretion of the trustees to be used for a specific purpose.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016

1. ACCOUNTING POLICIES - continued

Fund accounting - continued

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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.

Debtors

Other debtors are recognised at the settlement amount due.

Creditors

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

Transition to FRS 102

No accounting policies have changed as a result of the adoption of the new Charities SORP FRS 102. The implementation of FRS 102 has had no other effect on the financial statements.

Key Judgements and Accounting Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The main judgement and accounting estimates included in the accounts are:

- Deferral of grant income - Income is recognised when halow project is entitled to the income and this will be based on the work being completed and there is no requirement to repay the grant.
- Provisions - Management has made estimates and established provisions in respect of potential liabilities as at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

2. FUNDRAISING ACTIVITIES

	Unrestricted funds	Restricted funds	31.12.16 Total funds	31.12.15 Total funds
	£	£	£	£
Fundraising events	<u>265,791</u>	<u>48,192</u>	<u>313,983</u>	<u>434,496</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.12.16 £	31.12.15 £
Building Futures income	Building Futures	132,972	69,551
Social activities income	Social Activities	28,351	26,524
A Reason To Get Up income	A Reason To Get Up	7,718	16,425
		<u>169,041</u>	<u>112,500</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities £	Support costs (See note 5) £	Totals £
Building Futures	57,149	-	116,947	174,096
Social Activities	85,372	-	91,883	177,255
Grants	-	35,000	-	35,000
	<u>142,521</u>	<u>35,000</u>	<u>208,830</u>	<u>386,351</u>

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Building Futures	115,444	656	847	116,947
Social Activities	90,701	516	666	91,883
	<u>206,145</u>	<u>1,172</u>	<u>1,513</u>	<u>208,830</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.16 £	31.12.15 £
Independent examination	1,513	1,800
Depreciation - owned assets	3,403	3,825
Deficit on disposal of fixed asset	-	3,234

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

HALOW PROJECT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 December 2016

8. STAFF COSTS

	31.12.16 £	31.12.15 £
Wages and salaries	306,884	264,002
Social security costs	<u>24,774</u>	<u>19,641</u>
	<u>331,658</u>	<u>283,643</u>

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

	31.12.16	31.12.15
Administrative	2	3
Fundraising	3	5
Operational	5	3
Management	<u>1</u>	<u>2</u>
	<u>11</u>	<u>13</u>

No employees received emoluments in excess of £60,000.

9. 2015 STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated fund £	Restricted funds £	Total funds £
INCOME FROM				
Charitable activities				
Building Futures	69,551	-	-	69,551
Social Activities	26,524	-	-	26,524
A Reason To Get Up	16,425	-	-	16,425
Fundraising activities	<u>343,278</u>	<u>-</u>	<u>91,218</u>	<u>434,496</u>
Total	455,778	-	91,218	546,996
EXPENDITURE ON				
Raising funds				
Raising funds	173,837	-	-	173,837
Charitable activities				
Building Futures	101,737	-	14,500	116,237
Social Activities	<u>88,822</u>	<u>-</u>	<u>64,050</u>	<u>152,872</u>
Total	364,396	-	78,550	442,946
NET INCOME/(EXPENDITURE)	91,382	-	12,668	104,050
Transfers between funds	<u>(37,500)</u>	<u>37,500</u>	<u>-</u>	<u>-</u>
Net movement in funds	53,882	37,500	12,668	104,050

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016

9. 2015 STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Designated fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	161,882	-	-	161,882
TOTAL FUNDS CARRIED FORWARD	<u>215,764</u>	<u>37,500</u>	<u>12,668</u>	<u>265,932</u>

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2016	26,635
Additions	<u>3,887</u>
At 31 December 2016	<u>30,522</u>
DEPRECIATION	
At 1 January 2016	22,958
Charge for year	<u>3,403</u>
At 31 December 2016	<u>26,361</u>
NET BOOK VALUE	
At 31 December 2016	<u>4,161</u>
At 31 December 2015	<u>3,677</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Trade debtors	23,801	26,301
Amounts owed by related parties	124,268	80,738
Other debtors	5,837	7,446
Prepayments and accrued income	<u>25,104</u>	<u>41,698</u>
	<u>179,010</u>	<u>156,183</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Trade creditors	13,812	26,577
Social security and other taxes	7,774	914
Other creditors	770	1,520
Accruals and deferred income	<u>110,729</u>	<u>108,181</u>
	<u>133,085</u>	<u>137,192</u>

13. MOVEMENT IN FUNDS**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:

2016:

	Balance at 1 January 2016 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 December 2016 £
Social Activities	2,850	37,282	(33,807)	6,325
Building Futures	2,500	5,000	(7,500)	-
A Reason to Get Up	7,318	4,445	(11,763)	-
Capital for Building futures	-	500	-	500
Training	-	965	(965)	-
	<u>12,668</u>	<u>48,192</u>	<u>(54,035)</u>	<u>6,825</u>

2015:

	Balance at 1 January 2015 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 December 2015 £
Social Activities	-	50,950	(48,100)	2,850
Building Futures	-	17,000	(14,500)	2,500
A Reason to Get Up	-	19,818	(12,500)	7,318
Parent2Parent	-	3,000	(3,000)	-
Capital	-	450	(450)	-
	<u>-</u>	<u>91,218</u>	<u>(78,550)</u>	<u>12,668</u>

The Social Activities fund represents monies received from 7 sources:

- Surrey Short Breaks - Social Activities 16- 19 yrs
- Wisley Foundation - general funding for the programme
- Johnson Wax Charitable Trust - general funding for the programme
- Bellinger Donay Trust - general funding for the programme

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016

13. MOVEMENT IN FUNDS - continued

- Ratcliffe Charitable Trust - Fit for Life (sports activities)
- Community Foundation for Surrey - Fit for Life (sports activities)
- Middlesex Sports Foundation - Fit for Life (sports activities)

The Building Futures fund represents monies from 2 sources:

- Newby Trust - general funding for the programme
- Yorkshire Building Society Charitable Foundation (Chelsea Building Society) - general funding for the programme

The A Reason To Get Up fund represents monies from 3 sources:

- Community Foundation for Surrey - The IT Crowd
- Sobell Foundation - general funding for the programme
- Screwfix Foundation - To pay for equipment for the Garden Group

The Capital fund represents monies from 1 source:

- Percy Bilton Charity - 2x cameras for young people to take photos

The Training fund is a grant for staff care training.

DESIGNATED FUNDS

The income funds of the charity include designated funds comprising the following unexpended balances held on trust for specific projects as identified by the trustees:

2016:

	Balance at 1 January 2016 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 December 2016 £
halow care expansion project	37,500	-	(35,000)	(2,500)	-
	<u>37,500</u>	<u>-</u>	<u>(35,000)</u>	<u>(2,500)</u>	<u>-</u>

2015:

	Balance at 1 January 2015 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 December 2015 £
halow care expansion project	-	-	-	37,500	37,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>

The halow care expansion project fund represents the funds halow project have put aside to assist with the cost of recruitment, training and general expenses to allow the expansion of halow care CIC services.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016

14. RELATED PARTY DISCLOSURES

The company was owed £124,268 (2015: £80,738) by Halow Care Community Interest Company at the balance sheet date. Halow Project incurred expenditure of £82,000 (2015: £183,047) on Halow Care's behalf and income of £167,649 (2015: £240,864). Halow project donated £27,000 (2015: £nil) to Halow Care to assist with supported living during the financial year.

15. COMPANY LIMITED BY GUARANTEE

Halow Project is a company limited by guarantee and accordingly does not have a share capital. Each director has pledged to contribute £1 in the case the charitable company becomes insolvent.

16. CHARGES HELD

A charge is held by Property Investment Holdings Limited for the sum of £8,518.75 (and such other sums as may be deposited by the company from time to time pursuant to the terms of the said deed) the interest from time to time accrued and any sums from time to time deposited in respect of value added tax.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.16	31.12.15
	£	£
Between one and five years	<u>39,972</u>	<u>65,317</u>