

Report of the Trustees and
Audited Financial Statements for the Year Ended 31 August 2019
for
Alt Valley Community Trust Limited

Andrew D. Kilshaw
Chartered Accountant and
Registered Auditor
99 Stanley Road
Bootle
Merseyside
L20 7DA



Contents of the Financial Statements
for the Year Ended 31 August 2019

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10 to 11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 23

Report of the Trustees
for the Year Ended 31 August 2019

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 August 2019. 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 aims

Alt Valley Community Trust ('AVCT') is a Social Business based in The North East of Liverpool. It serves several electoral wards experiencing significant social and economic challenges (as identified by the 'indices of Multiple Deprivation'). It was founded as an Educational charity in 1988 but has since developed into a multi-faceted anchor organisation contributing to Individual Well-Being and sustainable Communities.

Vision

Sustainable communities where everybody achieves their full potential and leads happy, healthy and fulfilled lives.

Mission

We bring about positive change in Alt Valley and the wider community by developing innovative partnerships to maximise opportunities in community engagement, education and training, sport and wellbeing, and business and enterprise.

The charity's core objectives are

- 1) To contribute to the creation of sustainable communities.
- 2) To provide education and leisure training facilities to enable people to acquire and develop vocational skills.
- 3) To train and educate people through their leisure time activities so their health and wellbeing and conditions of life may be improved.

The policies adopted in furtherance of these objectives are reviewed on an annual basis. The charity ensures that robust monitoring, evaluation and review processes are in place to evidence the impact and effectiveness of our community focused work.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should pursue.

The charity's objectives are promoted through 4 key operational areas namely;

- Business and Employment
- Community Development
- Education and Training
- Sports and Wellbeing

Report of the Trustees
for the Year Ended 31 August 2019

OBJECTIVES AND ACTIVITIES

Public benefit

AVCT was established to provide a range of services to address disadvantage in the Alt Valley and surrounding neighbourhoods of Liverpool. Our activities are intended to improve access to education and training, support for people entering employment and to provide community facilities and well-being activities, all of which build a sustainable community.

AVCT has grown to be one of the biggest social enterprise, community organisations in Liverpool, offering a unique range of services and facilities. AVCT has contracts with Liverpool City Council for the delivery of education and sports activities, the ESFA for the delivery of vocational training and has taken over the management of some City Council community assets to keep them open and to maintain local services for local people. Not only has local provision been retained, the footfall and the community use has increased.

AVCT is increasingly being called on to provide additional support to local community organisations to keep them going. This includes providing advice, staff expertise and affordable office and meeting space. The range of services, resources, partners and experience has made AVCT an invaluable resource for the north east of the city. The Trust's key role as the main 'Anchor' organisation for the Alt Valley communities now extends to the North East wards of Yew Tree and Knotty Ash as well as Croxteth, Norris Green, Clubmoor and Fazakerley.

Report of the Trustees
for the Year Ended 31 August 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Governance

The Board's AGM on 5th January 2019 ensured that all Trustees were fully aware of their role and responsibilities and all charity policies were reviewed, updated and internal financial controls for the charity documentation completed.

Staff and Management

Two consultants assist senior staff and Trustees in developing plans for the future. The Executive Director along with the Assistant Chief Executive retain an overview of all Trust activities including finance. Staff re-structuring is a permanent feature of the charity and a pre-requisite for adapting to changing needs and contexts.

A communications intern was appointed in order to enhance the charity's marketing capacity.

Business and Employment sector

The ERDF (Enterprise Hub) contract ended on 30 November 2018 so the bespoke business team was dissolved (just as the project had gained momentum and secured a positive reputation for providing business support) similar business support contracts were sought without success..

Community Development sector

We have developed a Community hub model to promote community engagement.

1/ Communiversity

This centre is the Trust's headquarters but overheads an issue and glazing/car parking requires significant improvement. Successful application secured for a new heating system.

2/ Dovecot MAC (Multi Activity Centre)

Building renovation almost complete (funded by Power to Change) and the facility has been well received by the local community.

3/ Ellergreen

This hub continues to develop as a vibrant resource with a broad range of innovative community based activities .It is anticipated that the Ellergreen model will become standardised across all of the Trust's community hubs.

AVCT's 3 Libraries (Breck Road, Communiversity, Dovecot) continue to develop a range of engagement activities to empower individuals and improve their well-being.

The Community Engagement Public Forums organised by the Community Champions cover the Croxteth, Dovecot, Knotty Ash and Norris Green districts of the North East of Liverpool.

Education and Training sector

The Education sector still experiences significant challenges as a result of a changing, national FE landscape, hence the need to ensure that monthly Education Board meetings convene to challenge and support the sector. Contract compliance, timely achievement and reducing financial 'claw backs' were key priorities for the sector. Provision was rationalised and improved largely through the application of a new Management Information System which tracks learner progress and minimum standards criteria. A new Data Manager was appointed to introduce new systems and organise staff development to upskill colleagues.

Despite the range of challenges Education has secured continuous improvement in all aspects of provision such as quality assurance and delivering to profile. External verification of the Education sector's performance continues to rate provision as good.

Sports and Well- Being sector

The vision is still firmly rooted in meeting the needs of local communities with wider health, social prescribing and well-being priorities. Three sports and well -being centres in operation and although football has increased across all establishments the financial burden of mortgage/loan repayments add pressure to budgets.

1/ Croxteth - Strategies being planned to re-vitalise this base as growth potential not being exploited.

2/ Dovecot MAC - Increased usage following the redevelopment of the Dovecot MAC community hub.

Report of the Trustees

for the Year Ended 31 August 2019

3/ Walton - This centre has developed very significantly and continually adopts an innovative, client focused response to engage community members. The Walton model will be rolled- out to the other 2 bases.

Study Visits

The Trust has welcomed several study visits and contributed towards research projects with various organisations such as;

29.03.19 Sheffield Hallam University research on behalf of Power to Change

02.04.19 University of Liverpool research on behalf of Power to Change

06.06.19 Sefton Authority study visit to investigate Asset Management

01.07.19 Study visit by School of Social Entrepreneurs

FINANCIAL REVIEW

Financial position

During the year under review, the organisation received total income of £1,703,371. Expenditure on charitable activities came to £1,622,214 resulting in net incoming resources for the year of £81,157. Total fund balances at 31st August 2019 equalled £3,280,298 of which £1,917,935 were restricted funds, £484,000 were designated funds and £878,363 were unrestricted funds. At 31st August 2019, there net current liabilities of £177,501.

The Trust continues to operate extremely tight financial margins. All financial years are equally challenging as public funding continues to be put under increasing pressure. The Finance Manager ensures that rigorous systems are applied to secure efficiencies, value for money and contract compliance.

Reserves policy

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The Trustees regularly review the finances and budget forecasts in the context of the of an ever changing environment and monitor the Trust's working capital requirements.

In line with Charity Commission guidance, the Trustees believe a good reserves policy helps the organisation to be prepared to deal with unforeseen emergencies or other unexpected needs for funds, such as an unexpected large repair bill. There could also be a need to fund short-term deficits in a cash budget whereby money needs to be spent before a funding grant is received.

The Trustees, in line with Charity Commission guidance have therefore established a reserves policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Charity should be approximately equal to three months of expenditure at current levels. The Trustees are actively planning to build towards the stated level of reserves.

FUTURE PLANS

Partnerships

Our work and responsibilities as a Community Anchor organisation will continue to be the main driver influencing our future strategies for community sustainability and well-being.

The Trust continues to develop its work in the wider community, building on its successful partnerships with Neighbourhood Services Company, Liverpool City Council and Class of Your Own. Several organisations have approached us seeking mutual support in developing improved community outcomes. In July 2019 (following a transitional phase and due diligence process) the Trust became the management agent for Vauxhall Neighbourhood Council as VNC is a valuable community resource with a similar remit to AVCT.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Report of the Trustees

for the Year Ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

As set out in the Articles of Association there will be a minimum of four trustees and no more than seventeen. When considering the appointment of trustees the Board has regard to the requirement of any specialist skills needed. For example Mrs. L Baugh is an experienced Early Years Practitioner with a Safeguarding Specialism and she joined the board to assist in this regard in the delivery of the education and training programmes for the charity.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The board of trustees which can have up to 17 members administers the charity. The board normally meets quarterly and there are link directors who liaise with the Education and Training, Community Development, Sport and Well Being and Business and Employment Managers.

A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. In order to facilitate effective operations the Chief Executive has delegated authority, within terms of delegation approved by the trustees in operational matters including finance, employment and programme delivery.

Induction and training of new trustees

New trustees undergo an induction process to ensure they are aware of their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association as well as the recent financial performance of the charity. Trustees will meet key employees, other trustees and are encouraged to undertake appropriate external training to help facilitate the undertaking of their role.

The Chair of the Board is completing a skills audit to ensure that bespoke support and training is provided to all trustees and that a range of governance competencies are in place.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04275541 (England and Wales)

Registered Charity number

519835

Registered office

Communiversy
Altcross House
Altcross Road
Liverpool
Merseyside
L11 0BS

Trustees

Ms A M Mason
Mrs L A Baugh
Mr G Brennan
Mr J Donnelly
Mr A Jennings
Dr B McDonough
Mr A L Rimmer
Ms S A Sweeney
Mr R Meredith (appointed 13.10.20)

Company Secretary

Ms S A Sweeney

Alt Valley Community Trust Limited

Report of the Trustees
for the Year Ended 31 August 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Andrew D. Kilshaw
Chartered Accountant and
Registered Auditor
99 Stanley Road
Bootle
Merseyside
L20 7DA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Alt Valley Community Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

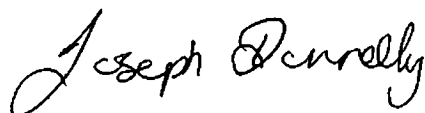
In so far as the trustees are aware:

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

AUDITORS

The auditors, Andrew D. Kilshaw, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28 October 2020 and signed on its behalf by:



Mr J Donnelly - Trustee

**Report of the Independent Auditors to the Trustees of
Alt Valley Community Trust Limited**

Opinion

We have audited the financial statements of Alt Valley Community Trust Limited (the 'charitable company') for the year ended 31 August 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 (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 August 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 Auditors' 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 where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of
Alt Valley Community Trust Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew D. Kilshaw
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountant and
Registered Auditor
99 Stanley Road
Bootle
Merseyside
L20 7DA

28 October 2020

Statement of Financial Activities
for the Year Ended 31 August 2019

	Notes	Unrestricted fund £	Designated funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
INCOME AND ENDOWMENTS FROM						
Charitable activities	2					
Sports and wellbeing		382,890	-	-	382,890	847,728
Education		505,825	-	181,085	686,910	595,865
Community engagement		304,841	-	326,980	631,821	1,074,633
Other income		1,751	-	(1)	1,750	6,210
Total		<u>1,195,307</u>	<u>-</u>	<u>508,064</u>	<u>1,703,371</u>	<u>2,524,436</u>
EXPENDITURE ON						
Charitable activities	3					
Sports and wellbeing		349,955	1,284	52,014	403,253	466,332
Education		565,319	1,695	198,615	765,629	614,191
Community engagement		168,543	1,022	283,767	453,332	1,079,239
Total		<u>1,083,817</u>	<u>4,001</u>	<u>534,396</u>	<u>1,622,214</u>	<u>2,159,762</u>
NET INCOME/(EXPENDITURE)		<u>111,490</u>	<u>(4,001)</u>	<u>(26,332)</u>	<u>81,157</u>	<u>364,674</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>766,875</u>	<u>488,000</u>	<u>1,944,266</u>	<u>3,199,141</u>	<u>2,834,467</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>878,365</u></u>	<u><u>483,999</u></u>	<u><u>1,917,934</u></u>	<u><u>3,280,298</u></u>	<u><u>3,199,141</u></u>

Balance Sheet

31 August 2019

	Notes	Unrestricted fund £	Designated funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
FIXED ASSETS						
Tangible assets	8	1,525,903	484,000	1,873,779	3,883,682	3,943,023
Social investments	9	82,000	-	-	82,000	82,000
		<u>1,607,903</u>	<u>484,000</u>	<u>1,873,779</u>	<u>3,965,682</u>	<u>4,025,023</u>
CURRENT ASSETS						
Debtors	10	128,367	-	-	128,367	113,652
Prepayments and accrued income		19,552	-	-	19,552	19,285
Cash at bank and in hand		7,500	-	44,156	51,656	36,521
		<u>155,419</u>	<u>-</u>	<u>44,156</u>	<u>199,575</u>	<u>169,458</u>
CREDITORS						
Amounts falling due within one year	11	(377,076)	-	-	(377,076)	(387,319)
		<u>(221,657)</u>	<u>-</u>	<u>44,156</u>	<u>(177,501)</u>	<u>(217,861)</u>
NET CURRENT ASSETS						
		<u>(221,657)</u>	<u>-</u>	<u>44,156</u>	<u>(177,501)</u>	<u>(217,861)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		1,386,246	484,000	1,917,935	3,788,181	3,807,162
CREDITORS						
Amounts falling due after more than one year	12	(507,883)	-	-	(507,883)	(608,021)
		<u>878,363</u>	<u>484,000</u>	<u>1,917,935</u>	<u>3,280,298</u>	<u>3,199,141</u>
NET ASSETS						
		<u>878,363</u>	<u>484,000</u>	<u>1,917,935</u>	<u>3,280,298</u>	<u>3,199,141</u>
FUNDS						
Unrestricted funds	14				1,362,363	1,254,875
Restricted funds					1,917,935	1,944,266
					<u>3,280,298</u>	<u>3,199,141</u>
TOTAL FUNDS						
					<u>3,280,298</u>	<u>3,199,141</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2019.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

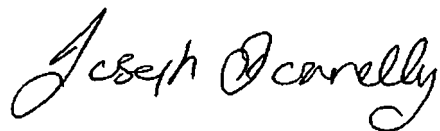
Alt Valley Community Trust Limited

Balance Sheet - continued

31 August 2019

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

The financial statements were approved by the Board of Trustees and authorised for issue on 28 October 2020 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Joseph Donnelly', written in a cursive style.

Mr J Donnelly - Trustee

Alt Valley Community Trust Limited

Cash Flow Statement

for the Year Ended 31 August 2019

	Notes	31.8.19 £	31.8.18 £
Cash flows from operating activities			
Cash generated from operations	1	52,765	451,738
Interest paid		(39,380)	(45,561)
Net cash provided by operating activities		<u>13,385</u>	<u>406,177</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(385,377)
Sale of tangible fixed assets		1,750	-
Net cash provided by/(used in) investing activities		<u>1,750</u>	<u>(385,377)</u>
Change in cash and cash equivalents in the reporting period		<u>15,135</u>	<u>20,800</u>
Cash and cash equivalents at the beginning of the reporting period		<u>36,521</u>	<u>15,721</u>
Cash and cash equivalents at the end of the reporting period		<u><u>51,656</u></u>	<u><u>36,521</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2019

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.19	31.8.18
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	81,157	364,674
Adjustments for:		
Depreciation charges	59,341	64,010
Profit on disposal of fixed assets	(1,750)	-
Interest paid	39,380	45,561
(Increase)/decrease in debtors	(14,982)	17,900
Decrease in creditors	(110,381)	(40,407)
Net cash provided by operations	<u>52,765</u>	<u>451,738</u>

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 income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

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

Freehold property	- 1% on cost
Long leasehold	- Straight line over the term of the lease
Improvements to property	- 1% on cost
Plant and machinery	- Straight line over 4 years
Fixtures and fittings	- Straight line over 4 years
Motor vehicles	- Straight line over 4 years
Computer equipment	- Straight line over 3 years

Under FRS 102 section 35.10(c) transitional provisions, the Trustees have elected to use the fair value of certain freehold properties as a 'deemed cost'. The valuation was undertaken by Mason Owen Chartered Surveyors. The buildings will be subject to annual depreciation and no further revaluations will be necessary.

Social investments

Programme related social investments are valued at fair value.

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.

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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

2. INCOME FROM CHARITABLE ACTIVITIES

		31.8.19 £	31.8.18 £
Grants	Sports and wellbeing	-	410,285
Sports Centre income	Sports and wellbeing	382,890	437,443
Training income	Education	505,825	474,113
Grants	Education	181,085	121,752
Library management	Community engagement	165,000	165,030
Room hire	Community engagement	23,665	30,969
Room rental	Community engagement	116,176	151,898
Grants	Community engagement	326,980	726,736
		<u>1,701,621</u>	<u>2,518,226</u>

Grants received, included in the above, are as follows:

	31.8.19 £	31.8.18 £
ESF	15,545	17,718
Erasmus	-	14,865
Liverpool City Council	170,040	619,221
Big Lottery Fund	110,947	481,733
Cobalt Housing	758	6,344
Sefton Council for Voluntary Service	35,121	17,804
Eleanor Rathbone Charitable Trust	-	1,600
Liverpool Community College	116,523	55,031
Other	475	26,850
Awards For All	-	9,761
Grantscape Walton	-	7,846
Veolia Environmental Trust	58,656	-
	<u>508,065</u>	<u>1,258,773</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 4) £	Totals £
Sports and wellbeing	218,718	184,535	403,253
Education	538,754	226,875	765,629
Community engagement	326,088	127,244	453,332
	<u>1,083,560</u>	<u>538,654</u>	<u>1,622,214</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

4. SUPPORT COSTS

	General £	Finance £	Governance costs £	Totals £
Sports and wellbeing	168,168	13,095	3,272	184,535
Education	205,252	17,300	4,323	226,875
Community engagement	114,213	10,426	2,605	127,244
	<u>487,633</u>	<u>40,821</u>	<u>10,200</u>	<u>538,654</u>

Support costs, included in the above, are as follows:

	Sports and wellbeing £	Education £	Community engagement £	Total activities £	Total activities £
Premises costs	93,917	124,071	74,940	292,928	270,196
Repairs and renewals	3,612	4,821	2,876	11,309	21,025
Travel expenses	1,510	1,996	1,203	4,709	4,151
Postage and stationery	1,083	1,430	862	3,375	8,595
Sundries	364	480	289	1,133	1,914
Legal and professional fees	36,840	48,668	29,330	114,838	96,064
Depreciation of tangible fixed assets	30,842	23,786	4,713	59,341	64,010
Bank charges	462	611	368	1,441	915
Interest payable and similar charges	12,633	16,689	10,058	39,380	45,561
Auditors' remuneration	3,272	4,323	2,605	10,200	13,230
	<u>184,535</u>	<u>226,875</u>	<u>127,244</u>	<u>538,654</u>	<u>525,661</u>

5. NET INCOME/(EXPENDITURE)

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

	31.8.19 £	31.8.18 £
Auditors' remuneration	10,200	13,230
Depreciation - owned assets	59,341	64,010
Surplus on disposal of fixed assets	<u>(1,750)</u>	<u>-</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2019 nor for the year ended 31 August 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

7. STAFF COSTS

	31.8.19	31.8.18
	£	£
Wages and salaries	874,532	923,285
Social security costs	61,994	64,516
Other pension costs	7,841	5,112
	<u>944,367</u>	<u>992,913</u>

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

	31.8.19	31.8.18
Teaching staff and trainees	10	10
Caretaker / cleaners	4	5
Office and management	15	15
Sports Centre staff	15	15
Holistic therapists	-	1
Library staff	6	6
	<u>50</u>	<u>52</u>

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

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 September 2018	1,954,145	500,000	1,751,182	65,912
Disposals	-	-	-	-
Reclassification	(728,841)	728,841	-	-
At 31 August 2019	<u>1,225,304</u>	<u>1,228,841</u>	<u>1,751,182</u>	<u>65,912</u>
DEPRECIATION				
At 1 September 2018	150,972	12,000	102,013	64,711
Charge for year	12,253	11,288	33,637	701
Eliminated on disposal	-	-	-	-
Reclassification/transfer	(104,213)	104,213	-	-
At 31 August 2019	<u>59,012</u>	<u>127,501</u>	<u>135,650</u>	<u>65,412</u>
NET BOOK VALUE				
At 31 August 2019	<u>1,166,292</u>	<u>1,101,340</u>	<u>1,615,532</u>	<u>500</u>
At 31 August 2018	<u>1,803,173</u>	<u>488,000</u>	<u>1,649,169</u>	<u>1,201</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

8. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2018	522,375	12,054	102,700	4,908,368
Disposals	-	(6,179)	-	(6,179)
Reclassification	-	-	-	-
At 31 August 2019	522,375	5,875	102,700	4,902,189
DEPRECIATION				
At 1 September 2018	522,247	12,054	101,348	965,345
Charge for year	110	-	1,352	59,341
Eliminated on disposal	-	(6,179)	-	(6,179)
Reclassification/transfer	-	-	-	-
At 31 August 2019	522,357	5,875	102,700	1,018,507
NET BOOK VALUE				
At 31 August 2019	18	-	-	3,883,682
At 31 August 2018	128	-	1,352	3,943,023

9. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1 September 2018 and 31 August 2019	82,000
NET BOOK VALUE	
At 31 August 2019	82,000
At 31 August 2018	82,000

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19 £	31.8.18 £
Trade debtors	113,664	113,652
Other debtors	14,703	-
	128,367	113,652

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Other loans (see note 13)	99,555	106,086
Trade creditors	42,052	103,305
Social security and other taxes	15,709	20,129
Other creditors	166,479	110,002
Accruals and deferred income	53,281	47,797
	<u>377,076</u>	<u>387,319</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.19	31.8.18
	£	£
Other loans (see note 13)	<u>507,883</u>	<u>608,021</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31.8.19	31.8.18
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>99,555</u>	<u>106,086</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>90,228</u>	<u>99,578</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>262,975</u>	<u>287,784</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	154,680	220,659

£700,000 from Futurebuilders England Limited, repayable by instalments over 20 years, commencing April 2007 with an interest rate of 6%. This loan is secured by way of a legal charge on the property at St Swithin's Church, Gillmoss Lane, Liverpool.

£375,000 from Futurebuilders England Limited, repayable by instalments over 10 years, commencing August 2013 with an interest rate of 6%. This loan is secured by way of a second legal charge over the Community property, Alt Valley, Liverpool.

£176,000 from The Adventure Capital Fund, repayable by instalments over 10 years, commencing December 2009 with an interest rate of 6%. This loan is secured by way of a legal charge on the Sports Centre.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

14. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	766,875	111,488	878,363
Dovecot MAC	488,000	(4,000)	484,000
	<u>1,254,875</u>	<u>107,488</u>	<u>1,362,363</u>
Restricted funds			
ERDF	770,168	(17,530)	752,638
SEIF Sports	498,807	(19,522)	479,285
Awards for All 15-16	943	(943)	-
Sports England - Dovecot MAC	35,160	(357)	34,803
Big Lottery - Dovecot MAC	639,188	(32,135)	607,053
Veolia Environmental Trust	-	44,156	44,156
	<u>1,944,266</u>	<u>(26,331)</u>	<u>1,917,935</u>
TOTAL FUNDS	<u>3,199,141</u>	<u>81,157</u>	<u>3,280,298</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,195,307	(1,083,819)	111,488
Dovecot MAC	-	(4,000)	(4,000)
	<u>1,195,307</u>	<u>(1,087,819)</u>	<u>107,488</u>
Restricted funds			
ERDF	-	(17,530)	(17,530)
SEIF Sports	-	(19,522)	(19,522)
Awards for All 15-16	-	(943)	(943)
Drama	4,500	(4,500)	-
Sports England - Dovecot MAC	-	(357)	(357)
Big Lottery - Dovecot MAC	-	(32,135)	(32,135)
Liverpool City Council	165,540	(165,540)	-
Cobalt Housing	758	(758)	-
Liverpool Community College - Enterprise Hub	116,522	(116,522)	-
Big Lottery - Reaching Communities	110,947	(110,947)	-
Working Futures - NEET	15,545	(15,545)	-
Other Restricted Funds	475	(475)	-
Veolia Environmental Trust	58,656	(14,500)	44,156
Include - IT Mersey	35,121	(35,121)	-
	<u>508,064</u>	<u>(534,395)</u>	<u>(26,331)</u>
TOTAL FUNDS	<u>1,703,371</u>	<u>(1,622,214)</u>	<u>81,157</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	758,878	7,997	766,875
Dovecot MAC	492,000	(4,000)	488,000
	<u>1,250,878</u>	<u>3,997</u>	<u>1,254,875</u>
Restricted funds			
ERDF	787,698	(17,530)	770,168
SEIF Sports	520,301	(21,494)	498,807
Awards for All 15-16	2,942	(1,999)	943
Sports England - Dovecot MAC	35,522	(362)	35,160
Big Lottery - Dovecot MAC	235,126	404,062	639,188
Eleanor Rathbone Charitable Trust	2,000	(2,000)	-
	<u>1,583,589</u>	<u>360,677</u>	<u>1,944,266</u>
TOTAL FUNDS	<u><u>2,834,467</u></u>	<u><u>364,674</u></u>	<u><u>3,199,141</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,265,663	(1,257,666)	7,997
Dovecot MAC	-	(4,000)	(4,000)
	<u>1,265,663</u>	<u>(1,261,666)</u>	<u>3,997</u>
Restricted funds			
ERDF	-	(17,530)	(17,530)
SEIF Sports	-	(21,494)	(21,494)
Awards for All 15-16	9,761	(11,760)	(1,999)
Sports England - Dovecot MAC	-	(362)	(362)
Big Lottery - Dovecot MAC	410,285	(6,223)	404,062
Eleanor Rathbone Charitable Trust	1,600	(3,600)	(2,000)
Liverpool City Council	619,221	(619,221)	-
Cobalt Housing	6,344	(6,344)	-
Sefton Council for Voluntary Service	17,804	(17,804)	-
✓ Liverpool Community College - Enterprise Hub	55,031	(55,031)	-
Big Lottery - Reaching Communities	71,448	(71,448)	-
Working Futures - NEET	17,718	(17,718)	-
Other Restricted Funds	26,850	(26,850)	-
Grantscape Walton	7,846	(7,846)	-
Erasmus	14,865	(14,865)	-
	<u>1,258,773</u>	<u>(898,096)</u>	<u>360,677</u>
TOTAL FUNDS	<u><u>2,524,436</u></u>	<u><u>(2,159,762)</u></u>	<u><u>364,674</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.17 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	758,878	119,485	878,363
Dovecot MAC	492,000	(8,000)	484,000
	1,250,878	111,485	1,362,363
Restricted funds			
ERDF	787,698	(35,060)	752,638
SEIF Sports	520,301	(41,016)	479,285
Awards for All 15-16	2,942	(2,942)	-
Sports England - Dovecot MAC	35,522	(719)	34,803
Big Lottery - Dovecot MAC	235,126	371,927	607,053
Eleanor Rathbone Charitable Trust	2,000	(2,000)	-
Veolia Environmental Trust	-	44,156	44,156
	1,583,589	334,346	1,917,935
TOTAL FUNDS	<u>2,834,467</u>	<u>445,831</u>	<u>3,280,298</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,460,970	(2,341,485)	119,485
Dovecot MAC	-	(8,000)	(8,000)
	<u>2,460,970</u>	<u>(2,349,485)</u>	<u>111,485</u>
Restricted funds			
ERDF	-	(35,060)	(35,060)
SEIF Sports	-	(41,016)	(41,016)
Awards for All 15-16	9,761	(12,703)	(2,942)
Drama	4,500	(4,500)	-
Sports England - Dovecot MAC	-	(719)	(719)
Big Lottery - Dovecot MAC	410,285	(38,358)	371,927
Eleanor Rathbone Charitable Trust	1,600	(3,600)	(2,000)
Liverpool City Council	784,761	(784,761)	-
Cobalt Housing	7,102	(7,102)	-
Sefton Council for Voluntary Service	17,804	(17,804)	-
Liverpool Community College - Enterprise Hub	171,553	(171,553)	-
Big Lottery - Reaching Communities	182,395	(182,395)	-
Working Futures - NEET	33,263	(33,263)	-
Other Restricted Funds	27,325	(27,325)	-
Grantscape Walton	7,846	(7,846)	-
Erasmus	14,865	(14,865)	-
Veolia Environmental Trust	58,656	(14,500)	44,156
Include - IT Mersey	35,121	(35,121)	-
	<u>1,766,837</u>	<u>(1,432,491)</u>	<u>334,346</u>
TOTAL FUNDS	<u>4,227,807</u>	<u>(3,781,976)</u>	<u>445,831</u>

15. RELATED PARTY DISCLOSURES

During the year, the charity entered into transactions, on an arms length basis, with The Neighbourhood Services Company Limited, a related party by virtue of there being common directors.

At 31st August 2019, the charity owed The Neighbourhood Services Company Limited the sum of £117,466 by way of Other Creditors.