

**THE BRAUNSTONE FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# THE BRAUNSTONE FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Timothy Morton (Appointed 13 July 2020) Bethan Lloyd (Appointed 13 July 2020) Henry Thompson Geoffrey Stagg (Appointed 13 July 2020) Keith Beaumont Elaine Halford Edward Rogers (Appointed 13 July 2020)
<b>Secretary</b>	Angela Wright (Chief Officer)
<b>Charity number</b>	1139537
<b>Company number</b>	04029394
<b>Principal address</b>	Business Box 3 Oswin Road Braunstone Leicester LE3 1HR
<b>Registered office</b>	Business Box 3 Oswin Road Braunstone Leicester LE3 1HR
<b>Auditor</b>	David Mayfield FCA Mayfield & Co. 2 Merus Court Meridian Business Park Leicester LE19 1RJ
<b>Bankers</b>	Unity Trust Bank Plc Nine Brindley Place Birmingham B1 2HB
<b>Solicitors</b>	Weightmans LLP 71 Princess Road West Leicester LE1 6TR

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# THE BRAUNSTONE FOUNDATION

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# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2020

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The trustees present their report and financial statements for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

#### Objectives and activities

The Braunstone Foundation's charitable objects are to promote for the benefit of the public, urban regeneration in areas of social and economic deprivation (and in particular in Braunstone) by all or any of the following means:-

- a. the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantages;
- b. the relief of unemployment;
- c. the advancement of education and training;
- d. the creation of employment and business opportunities through the provision of advice, workspace, buildings, and/or land for use on favourable terms;
- e. the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
- f. the preservation of buildings or sites of historic or architectural importance;
- g. the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, have need of such facilities;
- h. the protection or conservation of the environment;
- i. the provision of public health facilities and childcare;
- j. the promotion of public safety and prevention of crime; and
- k. the development of the capacity and skills of the members of the community in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

During the year to 31 March 2020, the Foundation successfully delivered its work programme and continued to develop as a charitable body for the benefit of Braunstone and the City of Leicester.

#### How our services deliver public benefit:

The trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year.

#### Our Vision

"To be the Community Anchor for Braunstone, now and in the future, able to support our neighbourhood and its citizens to reach full potential by harnessing its strengths and responding to its needs. By making a difference."

The Foundation has continued to manage its assets to provide benefits to the local area and has, through a range of services, focused on continuing the investment made from previous regeneration investment programmes.



# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2020

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The Foundation has focussed on:

- ensuring that the assets held were managed and protected appropriately for the benefit of the people of Braunstone;
- maximising the income-generated from these assets and managing these funds for the benefit of Braunstone;
- attracting additional funding into the area;
- delivering services on behalf of and for the benefit of residents in Braunstone and the rest of Leicester;
- ensuring that the NDC legacy is secured and maintained; and
- continuing to ensure the urban renewal and neighbourhood regeneration process in Braunstone is sustained in the long-term.

In effect, the Foundation performed the role of a local Community Anchor Organisation.

#### Activities, achievements and performance

##### Buildings:

During 2019/20 The Foundation owned and managed five key buildings, along with four houses, and also leased a sixth building from Leicester City Council on a 125 year lease arrangement.

In addition, the Foundation is extremely pleased to report that following a successful Community Asset Transfer process from Leicester City Council on the 28<sup>th</sup> June 2019, the Foundation is now the Leaseholder of the Grove building on Cort Crescent, Braunstone. The building was a former Council run Youth Centre. The lease terms are for 25 years (a repairing lease), along with a nil cost 5 years Licence for the adjacent four grass Football pitches on Braunstone Park. The lease does attract an annual rent but starts with a two year rent-free "holiday" period. Further details of development and use are listed below.

Our full list of buildings are listed below:

##### **Business Box**

The Business Box is located in the Braunstone Business Zone (Oswin Road), and is a "managed office-space" facility with meeting rooms, Virtual Tenancy packages and a range of customer support services. The facility is operated under the activities of b inspired Trading Company Ltd. In 2019/20, it continued to operate well, with high occupancy often reaching 100%, despite the impact of the Covid-19 pandemic and subsequent operating restrictions.

##### **Business Box +**

This is made up of Units 3 & 4 Forest Business Park based in the Braunstone Business Zone and the Braunstone Park Lodge (which was brought into the investment property portfolio during 2017 following the operational review of building usage), these are seen as "grow-on" office-spaces to the Business Box. These facilities also operate under the activities of the b inspired Trading Company Limited. In 2018 the Units 3 and 4 underwent refurbishment following previous long term tenants moving on. Both units have been fully occupied during 2019/20.

##### **Braunstone Health and Social Care Centre (Hockley Farm Road, Braunstone)**

A full transfer of ownership of the Braunstone Health and Social Care Centre to the Braunstone Foundation from PA Housing took place on 03/07/18.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

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The Braunstone Health and Social Care Centre was funded and built with *New Deal for Communities* grant and has provided rental income since 2010 under an agreement, as a legacy of the New Deal for Braunstone. The building was owned and managed by a third party, PA Housing Group (formerly LHA and then Asra). The property underwent a full market valuation by our selected Surveyors, Innes England as part of the due diligence process for the transfer.

The building has two main anchor tenants who have 25 year leases, the NHS and Leicester City Council, along with a third small tenant - Apple a Day Café. The Foundation manages the building, which houses a large GP Practice, Pharmacy, Café, a wide range of NHS clinics and office accommodation for NHS and Leicester City Council teams, delivering health and social care services.

#### Gallards Hill Offices

During 2019/20 the building at Gallards Hill was used by the charity as offices and was the home of the Sports and Physical Activities Team until January 2020 and remains home to the Chief Officer. Following the acquisition of the Grove building and after major refurbishment, the Sports and Physical Activities Team moved into the Grove in January 2020 and the Neighbourhood Support Team moved to the Gallards Hill site. The building now houses the Braunstone FoodShare (Foodbank), Braunstone Be-friending Scheme, outreach facilities for welfare and debt advice and support organisations e.g. CALS, Severn Trent Water Trust, Reaching People Foodbank Plus scheme and Volunteer training.

#### Neighbourhood Support Base (45 Wellinger Way)

The Neighbourhood Support Team were based at the former Post Office site until February 2020, when they moved all operations to Gallards Hill (as described above). 45 Wellinger Way is currently closed to the public but is due for redevelopment into a Community Shop via the Power to Change *Empowering Places* project (details follow in this report).

#### The Grove Community Hub (Cort Crescent, Braunstone)

As noted above, the Foundation acquired the Grove building and associated outdoor facilities (M.U.G.A and 4 grass Football pitches on the adjacent Braunstone Park) in June 2019. Following successful grant awards by the Garfield Weston Foundation and Power to Change Trust, the building and M.U.G.A. underwent major refurbishment to create a Community Hub with a Hall/Dance studio, training facilities, 3 x offices for let and created the space for community business development of a Social Bar and Community Café. The building opened to the public at a highly successful launch event on 21<sup>st</sup> February, 2020. Unfortunately the building had to close on 23<sup>rd</sup> March, 2020 due to the Covid-19 pandemic national lockdown (it subsequently re-opened following extended local Leicester lockdown restrictions on 08/09/20).

#### 14-20 Winforde Crescent

These properties are rented out as social housing through an agreement with PA Housing Group.

#### Braunstone Park Lodge

The Lodge was acquired in May 2009 through a 125 year lease agreement with Leicester City Council. Following major refurbishment, the Lodge was occupied by Foundation staff until April 2017, at which point it was brought into the investment property portfolio and is now let as part of the Business Box + offer. The property was let on leasehold throughout the 2019/20 period.

#### Property valuation

The Trustees were conscious of the changes in Statement of Recommended Practice which came into effect on 1<sup>st</sup> January 2019 as a result of the triennial review, and in particular the amendments in respect of valuations of properties and the removal of the undue cost or effort exemption. In readiness for this and to tie in with the Charity's overall Strategic Aims, it procured a full property re-valuation through Independent Valuers Innes England. The revaluation was completed on the 24<sup>th</sup> May, 2019.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2020

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Overall, the Valuers was impressed by the good order and maintenance of buildings since the last valuation in 2017 and under a "Fair Market Value" approach reported an uplift in values across all buildings. The assets were valued at £2,755,000 not including the Braunstone Health and Social Care Centre which had undertaken its own valuation as part of the transfer of ownership in 2018. The Trustees consider that with only 12 months between the valuation Braunstone Health and Social Care Centre and the new valuations undertaken by Innes England they believed there would not be any material change and deemed themselves suitably qualified to assess the value of the property at the same value as previously provided by Innes England.

Our properties are shown in two separate parts of the Balance Sheet within Property, Plant and Equipment and Investment Properties. The value of our properties held within Property, Plant and Equipment was uplifted by £139,988 from £870,012 to £1,010,000. Our Investment Properties were uplifted by £315,000 from £6,430,000 to £6,745,000.

The impact of the revaluations has seen the assets of the Charity increase overall by £454,988. Due to the revaluations being completed within the accounting year the Trustees consider it appropriate to not charge depreciation to the accounts in a year of revaluation. In ensuing years we will consider the useful economic lives of the assets and apply a suitable depreciation rate to ensure the carrying values of our assets are appropriate.

The separate valuation of the Braunstone Health and Social Care Centre at £5,000,000 in 2018 was shown in the 2018/19 accounts last year as a capital endowment.

#### **Sport and Physical Activities**

During much of 2019/20 this team were heavily engaged in planning for the re-development of the Grove building, which was acquired in June and followed by a major re-furbishment from September to December 2019.

Throughout this time the team worked extensively with the emerging community businesses that were due to be housed at the facility: ER Dance and Fitness and the Braunstone Park 18 Football Club. Much capacity work and training was undertaken through our role as a catalyst on the Power to Change funded *Empowering Places* programme (further details later in this report).

In addition to this, we are pleased to report that our ongoing relationship with the Leicestershire Police and Crime Commissioner was boosted by an award of £46,810 in April 2019 for a two-year project. The project is for the delivery youth activities through a joint partnership with ourselves being the lead, alongside StreetVibe Young Peoples Services and ER Dance and Fitness. Offering a range of sports, fitness and outreach youth activities.

#### **Apprenticeships**

In late 2018 our seventh and final cohort of learners on the b-inspired apprenticeship programme started their Advanced Level 3 Supporting PE and School Sport qualifications (based in Schools across Leicestershire). The group also undertook a range of additional courses including Level 3 Employment Rights, First Aid and Functional Skills.

During this time significant changes to the employment and funding of Apprenticeship learning took place as a result of the governments Apprenticeship Levy. This new method had a dramatic impact on small providers like ourselves and deemed future operation of our scheme as not viable. Following the completion of qualifications by this cohort of learners, the Foundation has opted not to continue providing Apprentice learning.

However, as an employer we continue to offer Apprenticeship placements and during 2019/20 employed two Apprentices in Customer Services.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

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#### Work in Leicester and Leicestershire (the WILL Project)

We have been pleased to be able to transition with the former Talent Match Leicestershire project into the Work. Live. Leicestershire (WILL) project. The project aims to improve accessibility to services and develops opportunities in response to the needs and ideas of rural residents across the county.

Residents living in rural areas are more likely to face transport difficulties, loneliness and technology issues that can greatly impact upon personal development

Launching in January 2019 with 9 Partners, b – inspired offers One- to- One Careers and Development support to 18-30 year olds across Hinckley and Bosworth, North West Leicestershire, Melton and Harborough. During COVID19 the main support has been Wellbeing checks and Walking Sessions to reduce isolation and Loneliness.

#### B- Inspired Targets and Outcomes Jan 2019 – March 2020

B-Inspired	Target	Outcome
Number of Sign ups	50	56
Number of Men	33	35
Number of Women	17	21
Economically Inactive	10	6
Job Outcomes	24	21
Education Outcomes	7	10

This service relates to the Foundations charitable objects a), b) and c).

#### Neighbourhood Support

This service was mainly based at the Neighbourhood Support Office at our 45 Wellinger Way site during 2019/20 and moved to Gallards Hill in February 2020..

It also takes the lead in community engagement through a range of media and the delivery of high quality community events. The service supports a wide range of volunteers who undertake a variety of roles across all services. A brief summary of activity areas of delivery are highlighted below:

#### Volunteer Training

Following the recruitment of a Part-Time Training Support Worker in 2018 our training activity has developed significantly. During 2019/20, 99 local people were supported with training and other development activities e.g. CV creation and job search. The overall priorities for the training service were:

1. Developing a range of induction and training activities.
2. Introducing 'compliance' qualifications to satisfy national Health and Safety recommendations.
3. Using progression training opportunities to support volunteers with 'follow on' qualifications that can be achieved alongside their commitment to the project. Initially via our own development programmes e.g. ASDAN or employability & CV support, then, where appropriate, onto more specialised and longer courses in Functional Skills or IT, (through other local providers)
4. Establishing the Gallards Hill site training room as a base for all the above.

28 local people completed an Induction for new volunteers. This is a half day, activity based induction course, developed in-house and delivered using the Gallards training room. The course is described as a 'meeting' for new volunteers rather than a formal learning activity. Topics include: the types of volunteer roles within b Inspired, Code of Conduct, Team skills, Policy and Procedures and Health and Safety in the workplace. The course can be available anytime and is suitable for groups of up to 10 people

# **THE BRAUNSTONE FOUNDATION**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2020**

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The Training Support Worker undertook a pilot course in Confidence Building with 4 volunteers, which proved successful.

40 qualifications in compliance courser were achieved during the year and certificates awarded:

Food Hygiene – Level one – 15 volunteers

Food Safety – Level two (necessary to lead others in food preparation) – 5 staff

Health and Safety - Level one - 5 Volunteers and 2 staff

First Aid (Essential first Aid) - 9 Volunteers and 4 staff

We have also delivered the ASDAN Community Volunteer Short course, with 5 Volunteers achieving accreditation. This is an ideal qualification for our volunteers as it helps to record the types of work and activities completed. The log book is completed by each volunteer and can include evidence of the 'challenges' of our other training offered. The scheme is suitable for all levels of ability as different methods of presenting evidence are encouraged and the work is internally moderated

Over a minimum of 60 hours of volunteering, the course log book builds into a portfolio of evidence of the person's role within our scheme, supporting employability skills, and readiness to engage in further educational development or preparation for work.

CV development has been popular and 12 people supported - 3 gained employment.

This continues to be available on an ad hoc basis.

In addition, our Worker has provided 70 one-to-one sessions in guidance to learners and helped them to plan follow on study. This has resulted in 26 people being referred on to courses via Leicester Adult learning and Skills service – often at the local Brite Centre.

#### Befriending

The Be-friending scheme has developed well last year after a significant boost in grant support from the National Lottery Community Fund and the Masonic Charitable Foundation for the next couple of years. During 2019, a full time Coordinator was employed along with part-time Support Workers and Administration support. This has enabled the scheme to expand and diversify.

The scheme has two elements: 1) Befriending arrangements -They can be meeting up and going to Talk Time sessions or other venues, playing games, or simply having a natter at home. The arrangements are not time limited but sometimes people's lives improve to such an extent, that they no longer need the service and have a greater ability to socialise and are experiencing better health and well-being. The scheme has 16 Volunteers.

Element 2) Talk Time Social Groups - an opportunity for residents to meet up and talk to others residents in the area. Two weekly sessions at 2 different venues with resources which make the sessions varied and interesting.

Identification and referral comes through many sources e.g. neighbours, family, social services, G.P's and Occupational Therapists. Talk Time has 28 members

A number of special events took place throughout 2019 including: A Teddy Bears Picnic, a Day at the Races and Breakfast with Santa. The events attracted 154 attendees and feedback was extremely positive.

The Talk Time group has hosted 4 wellbeing sessions including Armchair Aerobics, Therapeutic Stress Ball Making, Reminiscing Activity and "Message in a Bottle", which was delivered by our Occupational Therapist Students.

Since March 13th and the Covid-19 lockdown we have not been able to deliver sessions in a group environment. The Team have been contacting all active members and offering a variety of Hobby Boxes and activities that are delivered to our members fortnightly, to be completed in the comfort and safety of their own home e.g. gardening theme pack, Relaxation/Time For You pack (inc. mindfulness activities).

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### Braunstone Foodshare.

Now in its 9th year, Braunstone Foodshare (Foodbank) has been supporting on average 70 families on low incomes through its twice weekly sessions. The scheme has been housed at the Neighbourhood Support base on Wellinger Way until February, 2020 when it moved to Gallards Hill site.

Foodshare continues to be a huge undertaking requiring lots of volunteer and staff time. However, we are committed to continuing this essential work and happy to report that the service has again received a food hygiene rating of 5 from environmental health for every inspection, which shows the professionalism and determination of all those involved in its delivery.

The scheme is supported by kind donations from local Schools, Churches, Community Groups, the Wonky Veg Man, many Supermarkets and individual donors. We also maintain an annual affiliation to FareShare (Leicestershire).

The service is supported by a range of partners including: CALS providing a Welfare Advisor two sessions per week, along with Reaching People Food Bank Plus project providing an Advice/Support Worker one day per week. Severn Trent Trust also provide regular outreach sessions to assist with water bill debt. We are very grateful to these outreach providers, as they are able to offer a quick response and expertise to support our FoodShare members who may be experiencing a range of issues e.g. benefit claim queries, debt, unemployment, homelessness. They help us to offer a more holistic service to our FoodShare members that allows us to respond not just by providing food but by trying to tackle and resolve the root causes of their difficulties.

The FoodShare scheme served as a lifeline for many local people from the start of the Covid-19 pandemic and subsequent lockdown. Following a pause for 2 weeks to re-organise the service, we launched a weekly doorstep delivery service at the beginning of April with 10 Volunteer Drivers. The scheme was supported by a grant of £2,000 from the Local Councillors as part of the Covid-19 Emergency Mobilisation Fund.

This service relates to the Foundations charitable objects a), b), c), d), e), f) g), h), i), j) and k).

#### **Other activity**

##### **Access Fund – Impact Management for Growth**

Following investment by the Access Fund in 2018, the Board of Trustees and staff have undertaken a journey to better understand our impact. In 2018 we commissioned the support of specialist providers in social impact measurement. As a result we have created a new Theory of Change.

Following an overhaul of our data collection, indicator and outcomes mapping, early in 2019 this culminated in a new Outcomes Framework being created, so that staff are armed with the tools to understand whom and how to collect baseline data upon, for what purpose and for how long.

Following a successful paper-based pilot phase of the survey tools from May and July 2019, all staff undertook training on using the newly installed cloud-based software to collect client data (CRM) and to track and measure impact. The system is called *Views*. And since early 2020 this system is routinely used to register clients, review progress and measure outcomes. It is still early days in terms of populating the system and being able to analyse the data but we are hopeful that by the end of this year we will be able to interrogate the system more routinely.

#### **Power to Change**

We continue to deliver our 5 year vision as a Catalyst on the Power to Change Trust (a BIG Lottery endowed Trust) – *Empowering Places* programme. We have completed 3 years of the programme at the time of writing this report.

The project is set to realise a vision to grow and create new community businesses in Braunstone. Power to Change have committed to a grant of up to £1 million between 2017 and 2022 (£650,000 grant and £350,000 in capacity support).



# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2020

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Our 5 Year Plan articulates a vision that recognises that local people are the best people to shape services which will benefit the local area. By harnessing the combined forces of all the players in the area, Power to Change are sure that community businesses can start up, thrive and achieve positive change for their neighbourhoods, helping to reduce inequalities.

The Braunstone Foundation (t/a b inspired) as the catalyst and Community Anchor for Braunstone is well placed to work with local people and with support from Power to Change, to achieve some key outcomes:

- To have grown existing community businesses in Braunstone and created up to 5 new ones.
- Providing a self-supporting cluster of Community Businesses, offering a range of goods and services that local people can afford.
- To have brought into community hands at least one local asset (The Grove) that has been invested in, to provide the space for community businesses to form and grow.
- Community businesses that offer improved pathways to learning and work and increased local job opportunities.
- To have created community business solutions to help tackle the enduring health inequalities in Braunstone, promoting healthier lifestyles and access to better food.

Year 3 of the Braunstone Empowering Places project has performed well and achieved its major goals by completing the transfer of the Grove building through Community Asset Transfer from Leicester City Council, along with the adjoining 4 Football pitches (on a 5 years licence). The major re-furbishment and development of the internal and outside facilities has created a high quality Community Hub for Braunstone.

The development came as a result of community consultation and responding to what local people told us they want for the area. The re-furbishment was complete by the end of December 2019 and the facilities now boast a Hall/Dance studio, space for hire, 3 x offices for let, training facilities and the space to launch a Community Café and Social Bar (both run as community businesses). The facility launched on 21/02/2019 and over 500 visitors attended from across the community, stakeholders and funders. The building quickly became popular and a high level of bookings for room and facility hire started. Sadly, the building then had to close completely until 08/09/20 due to the Covid-19 pandemic national lockdown and local Leicester lockdown restrictions. This clearly had a major impact on the ability to trade.

During the period of development in 2019/20 the Sports Team and Neighbourhood Support Team focussed on developing the capacity of the emerging community businesses to be housed at the Grove i.e. community Café, Social Bar, ER Dance and Fitness, BP18FC and the Community Shop to be based at 45 Wellinger Way.

A large package of training and support was accessed via the Empowering Places Capacity Support funds and we were able to commission expert input from providers, CASE and Annica; along with appointing staff working on the project to act as mentors to the local volunteers involved.

The emerging community business volunteers were able to attend Business Start-up training delivered through CASE to enable the clubs to gain the skills needed to set up and launch a community businesses. They also attended training through, Annica to develop their skills through the use of social media platforms, SEO and their website.

# **THE BRAUNSTONE FOUNDATION**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **Financial review**

#### **Overview**

The Trustees have noted the financial position of the charity at the 31 st March 2020 year-end.

The Statement of Financial Activities shows a total income of £2,004,301 and expenditure of £2,203,255. Thus showing a deficit of £198,954 before revaluations and actuarial adjustments.

During the year we made the decision to revalue all our properties and this gave rise to a £315,000 gain on our investment properties and a £139,988 gain on our core properties used for charitable purposes.

In addition to this there was an actuarial gain on the valuation of the Multi-Employer Pension Scheme. This results in an actuarial gain of £573,000, which is shown in the Statement of Financial Activities.

Overall these adjustments mean we report a revised surplus of £829,034 for the year.

#### **Pension Scheme Provision**

The Braunstone Foundation makes payments into a Multi-Employer Pension Scheme (SHPS) on behalf of its employees and retirees in order to meet certain short fall within that Defined Benefit Scheme. Under the past prevailing legislation it was not necessary to account for the shortfall that the company had to make good because of the nature of the scheme.

However, because Multi-Employer Pension Scheme deficits now have to be accounted for under FRS102 – there is an impact on the accounts.

This means that the accounts have been adjusted to account for any actuarial adjustments and there is a £573,000 uplift in value. In the previous year there was a short fall of £585,000 and so the deficit is now almost on par with the 2018 position.

#### **Conclusion**

After taking into consideration all these items the charity carries forward reserves as follows:

Unrestricted Funds of £2,569,690 after pension adjustments and revaluations

Designated Funds of £445,099

Restricted Funds of £96,321

Permanent Endowment of £5,000,000

This means the Charitable Company has £8,111,110 of total funds carried forward.

These funds are split between the unrestricted funds, the restricted funds - see statement of financial activities on page 18.



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## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

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### Reserves Strategy

The Board has a strategy towards the holding of reserves. We endeavour to hold in free unrestricted reserves up to six months operating costs to cover payments to staff (i.e. notice periods of 3 months and redundancy costs), premises costs, contract/lease liability costs and legal costs.

This approach is based on an understanding of the income streams and their risk profile and excludes expenditure related to operations wholly funded by restricted funds.

The trustees estimate normal ongoing annual costs to be between £600,000 and £800,000 per year.

The trustees estimate that reserves at a level of approximately £450,000 would ensure that, in the event of a significant drop in funding, they would be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The charity had closing unrestricted reserves of £2,569,690 as at the 31 March 2020. So without further review this looks very healthy.

However we need to consider this in relation to the type of assets held which makes up the unrestricted funds.

Of the assets held in Unrestricted Funds £2,773,065 is in Property, Plant and Equipment and Properties held as Fixed Asset Investments. So these are not readily convertible into cash in a quick space of time – although available should the need arise.

In Free unrestricted funds we have net current assets of £203,625 whilst the pension liability of £407,000 is directly matched against these funds.

The charity has a strategy to see us build up cash reserves to enable us to build up assets within unrestricted funds that are more liquid.

A key element of this is surplus funds being generated in our trading subsidiary and being donated into the charity.

These cash sums have been paid over and it is lifting our unrestricted liquid assets to cover unexpected contingencies which helps us to achieve our stated aims.

# **THE BRAUNSTONE FOUNDATION**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

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### **Risk Review**

The Board conducts its own review of the major risks each year through its Business Planning process. A 3 year Business Plan was produced to cover the period 2019 to 2022 and risks reviewed at this time. As with most charities, this exposes risks and systems have been established to mitigate those risks. External risks have been managed through a robust business plan that is flexible and adaptable, yet still ambitious. Internal risks were minimised by adherence to its Financial Regulations, Policies and Procedures, along with updates to its HR Policies.

The main risks are deemed to be:

- Should the Braunstone Foundation exhaust its operating reserves, then it might be unable to meet its commitments.
- The loss of staff/Board Directors members in key operational and strategic roles could potentially have an adverse impact on the organisation.
- Should additional income not be secured then insufficient resources would be available to maintain the current level of staff and resources.
- Competition for grant funding will become fiercer as levels of public spending decline.
- Failure to deliver these contracts would result in both a financial loss and damage to the reputation of the company.
- Impact of Brexit.
- Impact of Covid-19 pandemic on our ability to trade at normal levels and increased demand on our charitable services.

Senior management report performance against the Business Plan for all services at every Board meeting and a quarterly review of financial performance and progress against targets is reported through to the Board of Trustees, via the Finance and General Purposes Committee.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

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#### Plans for Future Periods

The Board of Trustees considers it prudent to continue to grow trading income in the following year and beyond; in order to provide increased donations to the charity and thus reduce the pressure on reserves to meet the shortfalls in service delivery expenses and to grow cash reserves. The 2019 to 2022 Business Plan shows a 2 year period of growth, followed by sustainability.

We will continue in 2020/21 to work towards our ambitions and step closer to achieving our vision that by 2022, Braunstone will be home to a thriving and integrated community business sector; with the Braunstone Grove facility at its heart. 4 out of the 5 businesses created in the next 3 years will be based at the Grove and will use their individual strengths and resources to collaborate for the betterment of their community. Having a hub for community business will enable us to inspire, inform and support more local people to create additional community businesses within the area.

Alongside this we envisage that the Braunstone Residents Network will have transitioned their successful Garage Sale model into a permanent Community Shop and fulfil long held aspirations for a larger dedicated shop space with a bigger offer, including white goods, local craft and products and increased sales on recycled clothes and household goods.

The community businesses will offer a diverse range of employment and volunteering opportunities and new products and services not previously available to local residents.

We will also be extending our services to tackle loneliness and isolation by offering more for Older People through our Befriending Scheme, enhancing Talk Time social groups and developing the new Men's group launched in October 2020.

However, whilst our ambitions back in early 2019 were clearly to reduce reliance on grant income and strive to maximise earned income to over 70% of total income; we must now caveat this in the context of the impact of the Covid-19 pandemic and its affect on our trading activities. Clearly a better view of this will be possible at the end of the next accounting year (2020/21) and much mitigation of the impact has already been underway between March 2020 and the time of writing this report in November. But it is already clear that we have had to call upon emergency grant funds to help us through the crisis, after suffering trade losses and experiencing a significant increase in demand of many of our charitable services. This need to draw on more grant funds over the next year or even beyond will need to be assessed in light of our Business Plan.

#### Structure, governance and management

The charity is a company limited by guarantee. The Charity Commission awarded the Braunstone Foundation with charitable status on 29 December 2010. As a condition, it was agreed to develop a "group structure", with the establishment of a 100% owned trading subsidiary of the Foundation, to undertake the non-charitable activities. This was undertaken and put in place, so that from 1 April 2011, the Foundation can concentrate solely on its charitable activities and the trading company B-Inspired (Trading) Ltd, can manage the commercial activities and undertakings.

#### Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year are shown below.

Gwen Abraham MBE (Resigned 31 May 2019)  
Michael Cooke (Resigned 13 January 2020)  
Pauline Hurd (Resigned 30 September 2020)  
Henry Thompson  
Keith Beaumont  
Elaine Halford  
Rev Keith Magee (Resigned 20 October 2020)  
Edward Rogers (Appointed 13 July 2020)  
Timothy Morton (Appointed 13 July 2020)  
Bethan Lloyd (Appointed 13 July 2020)  
Geoffrey Stagg (Appointed 13 July 2020)

# **THE BRAUNSTONE FOUNDATION**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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The charity is organised so that the trustees (together forming a board of trustees) meet regularly (4 times during 2019/20) to manage the charity's affairs. In addition, a standing Committee is in place to provide governance in Finance and General Purposes (Chaired by the Vice Chair of Trustees). A Remuneration sub-committee is formed from the F&GP Committee and a Human Resources Committee is formed as and when required.

### **Trustee recruitment and induction**

The Chief Officer takes responsibility for induction to the charity for new Trustees and organises any training as required.

The Trustees are also Directors of the Company for the purposes of Company Law. Trustees have a tenureship of 4 years.

As noted above, the Board wishes to remember and thank our longest serving trustee, Pauline Hurd, who sadly passed away on 30/09/20. Pauline made a massive contribution to the work of the organisation for 20 years and always advocated the residents voice.

At the beginning of 2020 the Board agreed to a campaign to recruit up to four new Trustees to bring the Board up to its maximum capacity and attract a wider range of skills and experience. The Chief Officer undertook recruitment activities, which resulted in the recruitment of four new Trustees (Timothy Morton, Geoffrey Stagg, Bethan Lloyd and Edward Rodgers) and one new member organisation (Braunstone Adventure Playground). The new Trustees were approved and appointed by the Board on 14th July, 2020.

### **Conflicts of Interest and Related Party Transactions**

Trustees declare all personal and professional connections on a register of interests. At the start of each meeting, declarations are made of any potential conflicts of interests and the relevant trustee excuses themselves from any decisions that the charity must make regarding a conflict of interest. Related party transactions in the year have been disclosed within the notes of the accounts.

### **Senior Management Team**

Angie Wright – Chief Officer and Company Secretary  
Linda Grubb – Head of Operations

### **Day-to-day Management**

The Board of Trustees have delegated day-to-day management of the organisation to Angie Wright, Chief Officer.

### **Setting pay and remuneration**

Trustees do not receive remuneration only reimbursement of reasonable out of pocket expenses necessary in the carrying out of their duties.

Staff pay and remuneration is set by the Board of Trustees through the work of its Remuneration sub-committee, which reports to its Finance and General Purposes Committee and up to the Board of trustees.

In 2017 The Board of Trustees agreed to the adoption of a comprehensive Behavioural Competencies Framework and accompanying new appraisal methodology. This is linked to a Reward and Recognition Scheme for all staff (excluding the Senior Management Team, whose remuneration is dealt with directly by the Remuneration Sub- Committee). The scheme provides for a fair and equitable system, rewarding staff on their performance in core competencies required for their individual role.

# **THE BRAUNSTONE FOUNDATION**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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**The Braunstone Foundation is proud to be a Real Living Wage Employer.**

### **MEMBERS – During 2019/20**

Braunstone Resident Network

Clockwise Credit Union

Friends of Highway Spinney

Leicester City Council

NHS Leicester City

St Peters Church

New Dawn New Day

Palmers of Leicester Ltd.

The Braunstone Adventure Playground (joined as member 14/07/20)

### **Employee involvement**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Mayfield & Co. be reappointed as auditor of the company will be put at a General Meeting.

The trustees report was approved by the Board of Trustees.



**Timothy Morton**  
Acting Chair

Dated: 7<sup>th</sup> December 2020

# **THE BRAUNSTONE FOUNDATION**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2020***

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The trustees, who are also the directors of The Braunstone Foundation for the purpose of company law, are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE BRAUNSTONE FOUNDATION

## INDEPENDENT AUDITOR'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2020

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#### Opinion

We have audited the financial statements of The Braunstone Foundation (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the 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 March 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

# THE BRAUNSTONE FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE BRAUNSTONE FOUNDATION

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

7 December 2020



MR DAVID MAYFIELD FCA (Senior Statutory Auditor)

for and on behalf of Mayfield & Co.

Chartered Accountants  
Statutory Auditor

2 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

Mayfield & Co. is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



# THE BRAUNSTONE FOUNDATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	<u>Unrestricted</u> <u>Funds</u> <u>2020</u> £	<u>Designated</u> <u>Funds</u> <u>2020</u> £	<u>Restricted</u> <u>Funds</u> <u>2020</u> £	<u>Endowment</u> <u>Funds</u> <u>2020</u> £	<u>Total</u> <u>2020</u> £	<u>Total</u> <u>2019</u> £
<b>Income From</b>							
Donations & Legacies	3	90,039	-	485,865	-	575,904	5,873,332
Charitable Activities	4	1,425,292	-	-	-	1,425,292	1,270,071
Investments	5	1,559	1,546	-	-	3,105	2,245
<b>Total Income</b>		<b>1,516,890</b>	<b>1,546</b>	<b>485,865</b>	<b>-</b>	<b>2,004,301</b>	<b>7,145,648</b>
<b>Expenditure</b>							
Charitable activities	6	1,209,583	63,263	650,294	-	1,923,140	1,160,996
Cost of generating funds	6	280,115	-	-	-	280,115	306,799
		<b>1,489,698</b>	<b>63,263</b>	<b>650,294</b>	<b>-</b>	<b>2,203,255</b>	<b>1,467,795</b>
Net Gains on Investments	10	315,000	-	-	-	315,000	-
Net Income/(expenditure)		342,192	(61,717)	(164,429)	-	116,046	5,677,853
Revaluation of tangible Fixed assets		139,988	-	-	-	139,988	-
Actuarial (loss)/gain on defined benefit pension schemes		573,000	-	-	-	573,000	(585,000)
<b>Net Movement In Funds</b>		<b>1,055,180</b>	<b>(61,717)</b>	<b>(164,429)</b>	<b>-</b>	<b>829,034</b>	<b>5,092,853</b>
Balance Brought forward		1,514,510	506,816	260,750	5,000,000	7,282,076	2,189,223
<b>Balance carried forward as at 31 March 2020</b>		<b>2,569,690</b>	<b>445,099</b>	<b>96,321</b>	<b>5,000,000</b>	<b>8,111,110</b>	<b>7,282,076</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities

# THE BRAUNSTONE FOUNDATION

## CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2020**

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	All income funds	
	2020	2019
	£	£
Gross income	2,004,301	2,145,648
Gains on investments	<u>315,000</u>	<u>-</u>
Total income in the reporting period	2,319,301	2,145,648
Total expenditure from income funds	<u>2,203,255</u>	<u>1,467,795</u>
Net income/(expenditure) for the year	<u>116,046</u>	<u>677,853</u>

# THE BRAUNSTONE FOUNDATION

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11	1,028,064		891,261	
Investment properties	12	6,745,000		6,430,000	
		7,773,064		7,321,261	
<b>Current assets</b>					
Debtors	14	252,921		110,449	
Cash at bank and in hand		810,526		1,058,966	
		1,063,447		1,169,415	
<b>Creditors: amounts falling due within one year</b>	15	(318,401)		(228,600)	
Net current assets		745,046		940,815	
<b>Total assets less current liabilities</b>		8,518,110		8,262,076	
<b>Provisions for liabilities</b>	16	(407,000)		(980,000)	
<b>Net assets</b>		8,111,110		7,282,076	
<b>Capital funds</b>					
Endowment funds	18	5,000,000		5,000,000	
<b>Income funds</b>					
Restricted funds	19	96,321		260,750	
<u>Unrestricted funds</u>					
Designated funds	21	445,099		506,816	
General unrestricted funds	20	2,836,702		2,494,510	
Revaluation reserve		139,988		-	
Pension reserve		(407,000)		(980,000)	
		3,014,789		2,021,326	
		8,111,110		7,282,076	

## THE BRAUNSTONE FOUNDATION

### CONSOLIDATED BALANCE SHEET (CONTINUED)

**AS AT 31 MARCH 2020**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 accounts, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 7 December 2020



Elaine Halford - Trustee

Company Registration No. 04029394

# THE BRAUNSTONE FOUNDATION

## CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11	1,028,064		891,261	
Investment properties	12	6,745,000		6,430,000	
Investments	13		1		1
		7,773,065		7,321,262	
<b>Current assets</b>					
Debtors	14	239,428		90,897	
Cash at bank and in hand		734,671		983,792	
		974,099		1,074,689	
<b>Creditors: amounts falling due within one year</b>	15	(229,054)		(133,875)	
Net current assets			745,045		940,814
<b>Total assets less current liabilities</b>			8,518,110		8,262,076
<b>Provisions for liabilities</b>	16		(407,000)		(980,000)
<b>Net assets</b>			8,111,110		7,282,076
<b>Capital funds</b>					
Endowment funds	18	5,000,000		5,000,000	
<b>Income funds</b>					
Restricted funds	19		96,321		260,750
<u>Unrestricted funds</u>					
Designated funds	21	445,099		506,816	
General unrestricted funds	20	2,836,702		2,494,510	
Revaluation reserve		139,988		-	
Pension reserve		(407,000)		(980,000)	
			3,014,789		2,021,326
			8,111,110		7,282,076

## THE BRAUNSTONE FOUNDATION

### CHARITY BALANCE SHEET (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 accounts, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 7 December 2020



Elaine Halford - **Trustee**

**Company Registration No. 04029394**

# THE BRAUNSTONE FOUNDATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from	28		(251,510)		5,648,969
Income taxes paid			(35)		(1)
<b>Net cash inflow from operating activities</b>			(251,545)		5,648,968
<b>Investing activities</b>					
Purchase of investment property		-	(5,000,000)		
Interest received		3,105	2,245		
<b>Net cash generated from/(used in) investing activities</b>			3,105		(4,997,755)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(248,440)		651,213
Cash and cash equivalents at beginning of year			1,058,966		407,753
<b>Cash and cash equivalents at end of year</b>			810,526		1,058,966

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Charity information

The Braunstone Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Business Box, 3 Oswin Road, Braunstone, Leicester, LE3 1HR.

#### 1.1 Basis of preparation

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

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiary B-Inspired (Trading) Limited. The results of the subsidiary are consolidated on a line by line basis.

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.

These accounts for the year ended 31 March 2019 are the first accounts of The Braunstone Foundation prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

#### 1.2 Going concern

At the time of approving the accounts, the trustees has 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 funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.



# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### **1 Accounting policies**

##### **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 or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

##### **1.5 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Support costs are those costs incurred directly in support of expenditure and the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance, with constitutional and statutory requirements.

##### **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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	1% per annum of cost for buildings; land is not depreciated
Fixtures, fittings & equipment	15% per annum reducing balance 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 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

##### **1.8 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### 1.9 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

##### 1.10 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. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.11 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.

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, including creditors and bank loans 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.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### **1 Accounting policies**

##### **1.12 Employee benefits**

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

The charity has been admitted to the Social Housing Pension Scheme, a defined benefit scheme, which is externally funded and contracted out of the State Earnings Related Pension Scheme. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. The scheme operates on a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the charity. Under the terms of FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid throughout the year.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

##### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

##### **1.15 Company Status**

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### **1.16 Capital Items**

Items below a value of £1,000 are considered revenue cost and are charged against income at time of purchase.

#### **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. Revisions 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 affects both current and future periods.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 3 Donations and legacies

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds general	Total 2020	Total 2019
	£	£	£	£	£	£
Donations and legacies	3,639	-	-	-	3,639	5,446,488
Grants receivable	86,400	-	485,865	-	572,265	426,844
	<u>90,039</u>	<u>-</u>	<u>485,865</u>	<u>-</u>	<u>575,904</u>	<u>5,873,332</u>
<b>For the year ended 31 March 2019</b>	<u>1,420</u>	<u>445,068</u>	<u>426,844</u>	<u>5,000,000</u>		<u>5,873,332</u>
<b>Donations and legacies</b>						
Sundry donations received	3,639	-	-	-	3,639	1,420
PA Housing (Health centre)	-	-	-	-	-	445,068
PA Housing (Endowment)	-	-	-	-	-	5,000,000
	<u>3,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,639</u>	<u>5,446,488</u>
<b>Grants receivable for core activities</b>						
Sport England	-	-	-	-	-	84,443
Community Business Fund	-	-	232,996	-	232,996	-
Big Lottery - Talent Match	-	-	-	-	-	65,324
Masonic Foundation	-	-	19,703	-	19,703	-
Power to Change Grant	-	-	190,296	-	190,296	69,672
Work Live Grants	86,400	-	-	-	86,400	-
Garfield Weston Fund	-	-	-	-	-	150,000
Reducing Isolation Fund	-	-	41,378	-	41,378	-
Impact Growth	-	-	1,492	-	1,492	34,623
Police Crime Commissioner	-	-	-	-	-	22,782
	<u>86,400</u>	<u>-</u>	<u>485,865</u>	<u>-</u>	<u>572,265</u>	<u>426,844</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 4 Charitable activities

	2020	2019
	£	£
Local Authority Rates Rebate	153,017	-
Services provided under contract	370,485	361,795
Other income	98,201	101,564
Advertising income and sundry income	3,295	10,413
Rent and room hire	800,294	796,299
	<u>1,425,292</u>	<u>1,270,071</u>

### 5 Investments

	Unrestricted funds	Designated funds	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Interest receivable	1,559	1,546	3,105	2,245
	<u>1,559</u>	<u>1,546</u>	<u>3,105</u>	<u>2,245</u>
For the year ended 31 March 2019	2,245	-		2,245

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 6 Charitable activities

	Charitable Activities Unrestricted	Charitable Activities Restricted	Total 2020	Total 2019
	£	£	£	£
Staff costs	504,517	222,061	726,578	600,431
Depreciation and impairment	3,185	-	3,185	11,243
Premises costs	391,697	30,508	422,205	322,622
Motor and travel	4,059	1,089	5,148	5,559
Legal and professional fees	15,538	15,080	30,618	64,934
Project activity and equipment costs	90,608	370,623	461,231	44,742
Supplies and services	9,938	7,622	17,560	18,970
Irrecoverable input vat	39,738	3,311	43,049	35,441
Rates Rebate Due To Tenants	153,017	-	153,017	-
Bank charges	400	-	400	-
Bad debts	2,966	-	2,966	-
	<u>1,215,663</u>	<u>650,294</u>	<u>1,865,957</u>	<u>1,103,942</u>
Share of governance costs (see note 7)	57,183	-	57,183	57,054
	<u>1,272,846</u>	<u>650,294</u>	<u>1,923,140</u>	<u>1,160,996</u>
<b>Analysis by fund</b>				
Unrestricted funds	1,209,583	-	1,209,583	
Designated funds	63,263	-	63,263	
Restricted funds	-	650,294	650,294	
	<u>1,272,846</u>	<u>650,294</u>	<u>1,923,140</u>	
<b>For the year ended 31 March 2019</b>				
Unrestricted funds	838,247	-		838,247
Designated funds	14,973	-		14,973
Restricted funds	-	307,776		307,776
	<u>853,220</u>	<u>307,776</u>		<u>1,160,996</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 6. Cost of generating funds

	Unrestricted	Restricted	Total 2020	Total 2019
	£	£	£	£
Staff costs	136,478	-	136,478	172,027
Premises costs	92,370	-	92,370	68,813
Motor and travel	65	-	65	216
Legal and professional fees	2,580	-	2,580	5,406
Supplies and services	48,622	-	48,622	60,337
	<u>280,115</u>	<u>-</u>	<u>280,115</u>	<u>306,799</u>

### 7 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Staff costs	-	38,183	38,183	37,054
Audit and accountancy fees	-	19,000	19,000	20,000
	<u>-</u>	<u>57,183</u>	<u>57,183</u>	<u>57,054</u>
Analysed between				
Charitable activities	-	57,183	57,183	57,054
	<u>-</u>	<u>57,183</u>	<u>57,183</u>	<u>57,054</u>

Governance costs includes payments to the auditors of £9,000 (2019 - £10,000) for audit fees.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but trustees were reimbursed a total of £699 (2019 - £737) for expenses incurred in respect of carrying out the operations of the charity.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
38	36

#### Employment costs

	2020 £	2019 £
Wages and salaries	715,605	665,555
Social security costs	55,097	54,905
Other pension costs	130,537	88,652
	<u>901,239</u>	<u>809,512</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
Band £60,000 to £70,000	1	1
Band £80,000 to £90,000	1	-
	<u>2</u>	<u>1</u>

### 10 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Total 2019 £
Revaluation of investment properties	<u>315,000</u>	<u>-</u>



# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 11 Tangible fixed assets (Group and Charity)

	Land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2019	885,000	399,809	1,284,809
Revaluation	125,000	-	125,000
At 31 March 2020	1,010,000	399,809	1,409,809
<b>Depreciation and impairment</b>			
At 1 April 2019	14,988	378,560	393,548
Revaluation	(14,988)	-	(14,988)
Depreciation charged in the year	-	3,185	3,185
At 31 March 2020	-	381,745	381,745
<b>Carrying amount</b>			
At 31 March 2020	1,010,000	18,064	1,028,064
At 31 March 2019	870,012	21,249	891,261

Land and buildings with a carrying amount of £870,012 were revalued at 24 May 2019 by Innes England, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. Innes England valued these properties at £1,010,000. The Trustees have taken the decision not to depreciate assets in the year of a revaluation.

At 31 March 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £862,518 (2019 - £870,012).

The revaluation surplus is disclosed in note 19.

#### 12 Investment property (Group and Charity)

	2020 £
<b>Fair value</b>	
At 1 April 2019	6,430,000
Net gains or losses through fair value adjustments	315,000
At 31 March 2020	6,745,000

All Investment properties, with an historic carrying amount of £6,430,000 were independently valued and gave rise to revaluation to £6,745,000 an uplift of £315,000. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 24 May 2019 by Innes England Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 13 Fixed asset investments (Charity)

			Other investments
<b>Cost or valuation</b>			
At 1 April 2019 & 31 March 2020			1
<b>Carrying amount</b>			
At 31 March 2020			1
At 31 March 2019			1
		2020	2019
Other investments comprise:	Notes	£	£
Investments in subsidiaries	27	1	1

### 14 Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Amounts falling due within one year:</b>				
Trade debtors	196,593	92,549	169,404	60,795
Amounts due from subsidiary undertakings	-	-	4,403	30,102
Other debtors	48,352	17,900	57,645	-
Prepayments and accrued income	7,976	-	7,976	-
	<u>252,921</u>	<u>110,449</u>	<u>239,428</u>	<u>90,897</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 15 Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	3,051	35,298	661	29,096
Other taxation and social security	95	24,889	-	24,808
Other creditors	231,048	134,463	153,017	54,385
Accruals and deferred income	84,207	33,950	75,376	25,586
	<u>318,401</u>	<u>228,600</u>	<u>229,054</u>	<u>133,875</u>

#### 16 Provisions for liabilities

	Notes	2020 £	2019 £
Retirement benefit obligations	17	407,000	980,000
		<u>407,000</u>	<u>980,000</u>

#### 17 Defined Benefit Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 17 Defined Benefit Pension Scheme Continued

#### PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31/03/2020 (£000s)	31/03/2019 (£000s)
Fair value of plan assets	2,943	2,711
Present value of defined benefit obligation	3,350	3,691
Surplus (deficit) in plan	(407)	(980)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(407)	(980)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(407)	(980)

#### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31/03/2020 (£000s)
Defined benefit obligation at start of period	3,691
Current service cost	-
Expenses	5
Interest expense	85
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	125
Actuarial losses (gains) due to changes in demographic assumptions	(34)
Actuarial losses (gains) due to changes in financial assumptions	(469)
Benefits paid and expenses	(53)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	3,350

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE PLAN ASSETS

	31/03/2020 (£000s)
Fair value of plan assets at start of period	2,711
Interest income	63
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	124
Contributions by the employer	98
Contributions by plan participants	-
Liabilities acquired in a business combination	(53)
Assets acquired in a business combination	-
Actuarial losses (gains) due to changes in financial assumptions	-
Assets distributed on settlements Benefits paid and expenses	-
Exchange rate changes	-
Defined benefit obligation at end of period	2,943

### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	31 March 2019 to 31 March 2020 (£000s)
Current service cost	-
Expenses	5
Net interest expense	22
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	27

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 17 Defined Benefit Pension Scheme Continued

#### DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31/03/2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	124
Experience gains and losses arising on the plan liabilities - gain (loss)	(125)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(34)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	469
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	502
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	502

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

### ASSETS

	31/03/2020	31/03/2019
	(£000s)	(£000s)
Global Equity	430	456
Absolute Return	153	235
Distressed Opportunities	57	49
Credit Relative Value	81	50
Alternative Risk Premia	206	156
Fund of Hedge Funds	2	12
Emerging Markets Debt	89	94
Risk Sharing	99	82
Insurance-Linked Securities	90	78
Property	65	61
Infrastructure	219	142
Private Debt	59	36
Opportunistic Illiquid Credit	71	-
Corporate Bond Fund	168	126
Liquid Credit	1	
Long Lease Property	51	40
Secured Income	112	97
Over 15 Year Gilts	-	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	977	992
Net Current Assets	13	5
	2,943	2,711

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

### KEY ASSUMPTIONS

	31 March 2020	31 March 2019
	% per annum	% per annum
Discount Rate	2.38%	2.31%
Inflation (RPI)	2.62%	3.29%
Inflation (CPI)	1.62%	2.29%
Salary Growth	2.62%	3.29%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 17 Defined Benefit Pension Scheme Continued

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.5
Female retiring in 2019	23.3
Male retiring in 2039	22.9
Female retiring in 2039	24.5

#### 18 Endowment fund

The endowment fund is a new reserve created in 2019 and resulted from the transfer of the Braunstone Health Centre from PA Housing and was independently valued at £5,000,000 by Innes England.

	Movement in funds		
	Balance at 1 April 2020 £	Movements £	Balance at 31 March 2020 £
Capital Endowment	5,000,000	-	5,000,000
	5,000,000	-	5,000,000



# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 19 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:

	Movement in funds			Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Income £	Expenditure £	
Sport England	44,291	-	(44,068)	223
Big Lottery - Talent Match	37,409	-	(37,409)	-
Other Grants	4,356	-	(4,356)	-
Big Potential	6,989	-	(6,989)	-
Power to Change	(12,100)	190,296	(117,085)	61,111
Impact to Growth	7,023	-	(1,760)	5,263
PCC	22,782	-	(8,200)	14,582
Community Business Fund	-	232,996	(244,891)	(11,895)
Masonic Foundation	-	19,703	(11,063)	8,640
Reducing Isolation	-	41,378	(22,981)	18,397
Garfield Weston Trust - The Grove	150,000	-	(150,000)	-
	<u>260,750</u>	<u>484,373</u>	<u>(648,802)</u>	<u>96,321</u>

#### 20 Unrestricted funds

	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/Losses £	
Unrestricted funds	2,494,510	1,516,890	(1,489,698)	315,000	2,836,702
Revaluation Reserve	-	-	-	139,988	139,988
Pension Scheme Provision	(980,000)	-	-	573,000	(407,000)
	<u>1,514,510</u>	<u>1,516,980</u>	<u>(1,489,698)</u>	<u>1,027,988</u>	<u>2,569,690</u>

#### 21 Designated funds

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

	Movement in funds			Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Income £	Expenditure £	
Braunstone Health Centre Dilapidation Fund	506,816	1,546	(63,263)	445,099
	<u>506,816</u>	<u>1,546</u>	<u>(63,263)</u>	<u>445,099</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 22 Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment	Total
	£	£	£	£	£
Fund balances at 31 March 2020 are represented by:					
Tangible assets	1,028,064	-	-	-	1,028,064
Investment properties	1,745,000	-	-	5,000,000	6,745,000
Current assets/(liabilities)	203,626	445,099	96,321	-	745,046
Provisions and pensions	(407,000)	-	-	-	(407,000)
	<u>2,569,690</u>	<u>445,099</u>	<u>96,321</u>	<u>5,000,000</u>	<u>8,111,110</u>

#### Analysis of net assets between funds – Charity

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment	Total
	£	£	£	£	£
Fund balances at 31 March 2020 are represented by:					
Tangible assets	1,028,064	-	-	-	1,028,064
Investment properties	1,745,000	-	-	5,000,000	6,745,000
Investments	1	-	-	-	1
Current assets/(liabilities)	203,625	445,099	96,321	-	745,045
Provisions and pensions	(407,000)	-	-	-	(407,000)
	<u>2,569,690</u>	<u>445,099</u>	<u>96,321</u>	<u>5,000,000</u>	<u>8,111,110</u>

#### 23 Financial commitments, guarantees and contingent liabilities

The charity currently participates in the Social Housing Pension Scheme (SHPS), which as indicated in note 17 has a shortfall of assets compared to liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised of £407,000 is the net present value of the deficit reduction contributions payable under the arrangement that relates to the deficit.

#### 24 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:

	2020	2019
	£	£
Between two and five years	<u>4,034</u>	<u>4,034</u>

The operating leases represent leases totalling £4,034 to third parties. The leases are negotiated over terms of 5 years and rentals are fixed for 5 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 25 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	155,128	147,450

#### 26 Transfers

During the previous year the charity finally agreed the legal transfer of the Braunstone health Centre which was transferred from PA Housing. This property was independently valued at £5,000,000 and has been capitalised as an investment property and treated as a permanent capital endowment. This can be seen in note 18.

#### 27 Subsidiaries

Details of the charity's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
B-Inspired (Trading) Ltd	England	Rental of office space	Ordinary	100.00

The charity owns the whole of the issued ordinary share capital of B-Inspired (Trading) Ltd, a company registered in England. All activities have been consolidated on a line by line basis in the SOFA. Any total net profits will be gifted to the charity. A Summary of the results of the subsidiary is shown below:

##### B-Inspired (Trading) Limited

	2020	2019
	£	£
Income	424,634	469,598
Administrative expenses	(424,634)	(469,598)
Net profit/(loss)	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	110,314	124,827
Liabilities	(110,313)	(124,826)
Funds (representing 1 ordinary share of £1)	1	1

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

28	Cash generated from operations	2020 £	2019 £
	Surplus for the year	116,046	5,677,853
	Adjustments for:		
	Taxation	49	35
	Investment income recognised in statement of financial activities	(3,105)	(2,245)
	Fair value gains and losses on investment properties	(315,000)	.
	Depreciation and impairment of tangible fixed assets	3,185	11,243
	Difference between pension charge and cash contributions	-	(335,000)
	Movements in working capital:		
	(Increase)/decrease in debtors	(133,337)	(89,222)
	Increase/(decrease) in creditors	80,652	51,305
	<b>Cash generated from/(absorbed by) operations</b>	<b>(251,510)</b>	<b>5,313,969</b>
29	<b>Analysis of changes in net funds</b>		
	The charity had no debt during the year.		