

Company Registration No. 06074602 (England and Wales)

Charity Registration No. 1140032 (England and Wales)

**PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)**

REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2016

**PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)**

REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2016

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**PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31ST JULY 2016

Incorporated 30th January 2007
Company number 06074602

Charity registration 25th January 2011
Charity number 1140032

Company Directors and Charity Trustees J T Willis Chairman
M Mabe
Dr W Green
M M Willis

Company Secretary M M Willis

Registered Office LCB Depot
31 Rutland Street
Leicester
LE1 1RE

Accountants Topaz Solutions Limited
Chartered Accountants
5 Giffard Court
Millbrook Close
Northampton
NN5 5JF

Bankers HSBC
30 Abington Street
Northampton
NN1 2AN

PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST JULY 2016

The trustees and directors of the charitable company present their report and the unaudited financial statements for the year ended 31 July 2016. The information set out on page 1 forms part of this report.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Memorandum and Articles of Association, the Companies Act 2006 and the Charities Statement of Recommended Practice (FRS 102) (effective January 2015).

Objectives and Activities

The long-term objectives of the charity are as contained in the Memorandum and Articles of Association updated August 2015.

- a) To advance in life as wide a range of people as possible to express themselves artistically by the provision of complimentary services and activities to such individuals, which develop their skills, capacity and capabilities to enable them to participate in society.
- b) To further such charitable causes both locally and nationally as from time to time determined by the members in the support of the Company's primary objective.
- c) Services are offered and funds raised by becoming involved in any related businesses.

This can all be summed in our tagline – 'Pioneering Potential'

In order to achieve these objectives, the short and medium term strategy of the Charity is to maintain a street-level base and facilities unit together with out-reach workshops. Headquartered in Leicester, with an aim to replicate these facilities in the other leading centres in the East and South Midlands – primarily Derby, Milton Keynes, Northampton and Nottingham.

2015-2016 has been a very challenging period for Pedestrian. Our previous director was on maternity leave for all of the first part of the financial year, and in order to provide cover for her absence several resources, which by their nature were necessarily costly, were employed. Conversely, the period was one of rapid growth in business and this led to an unforeseen under provision of resources to deliver this business. Rather than turn that business away, the decision was made to outsource the resource, and this had to be procured at a much higher cost than was allowed for in the original costings.

Our director returned from maternity leave in January 2016, but after a few weeks she tendered her resignation quickly followed by the (unconnected) resignation of our Education Manager. Again, this resource had to be covered by more expensive temporary solutions, and this coupled with the other operational issues has resulted in the excess of expenditure over income for the financial year. A new director and Education Manager have since been recruited from within the organisation, and both members of staff have proved to be very effective in their new roles.

Our space at 7-9 Rutland Street is still proving to be unsatisfactory for our needs. Apart from not offering enough floor area, there are issues with the fabric of the building which the owners are considering rectifying, but the time scale of this, coupled with the cost of having to lease additional office space led us to exercise the break-clause in the lease in March 2016. Pedestrian still occupy the premises on a rolling lease, but are actively seeking alternative premises which will accommodate both the workshop and administrative needs at a more equitable cost. It is still the long-term aim of the organisation to seek a freehold purchase.

We remain true to our core of Pioneering Potential and are evolving different ways of delivering this alongside our traditional offers, particularly in the realm of Alternative Education – providing accredited learning to excluded young people.

We remain committed to extending our reach to other locations in the East Midlands.

The Charity does from time to time rely on the goodwill of volunteers, but this is not a significant part of our resource and whilst always helping to further our aims, does not form any substantive contribution in terms of hours or indicative value.

PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST JULY 2016 (continued)

Achievements and Performance

Pedestrian has, since its inception delivered over 11 000 educational workshops to socially excluded, hard to reach and under-valued young people. Starting as a peripatetic volunteer organisation in Northampton in 1998, it has grown organically and its success in achieving its original aims has continually fed that growth. For the past seven years, the Charity has established itself with a physical base in Leicester, (helped by some incubatory support of the Arts Council of England) and become a leader in its field. It has over the past two years, in partnership with the National Open College Network, established a tranche of Accredited Courses, aimed at providing a recognized qualification for young people previously on the peripheries of society, who otherwise may have circumnavigated by the mainstream educational body. The Charity has worked in partnership with Local Authorities, Youth Services and Educational establishments to further these aims.

Like all Third Sector organisations, Pedestrian faces a huge challenge in developing its services in the face of massive cuts in funding to the Sector, but the Trustees are confident that we will meet this challenge, as we have never relied on such funding to support our core activities.

Financial Review

The charity made a deficit for the year of £(55,887) (2015 – surplus £8,066). The Charity has deficit unrestricted reserves of £(17,512). The Trustees have considered future activities and prepared a forecast for the 24 months to 31st July 2018 which indicates the Charity will be back in funds by the end of the forthcoming financial year.

The principle funding sources of the charity are grant-making organisations and Local Authorities.

Reserves Policy

Unrestricted funds, which are the free reserves of the Charity, comprise the designated funds and operating fund of the Charity. It is the policy of the Charity to maintain the operating fund at a level to provide sufficient funds to cover all relevant costs to see the existing activities through to a satisfactory conclusion. Due to the nature of the activities of the Charity, this may vary significantly depending upon when in the calendar year such funds may be required. In the opinion of the Trustees, an appropriate level equates to approximately 6 months of unrestricted charitable expenditure. The Trustees monitor the unrestricted funds on an ongoing basis and review the reserves policy, including the level of reserves held, on an annual basis.

Principal Risks and Uncertainties

The challenge of securing new workshops and funding sources from a dwindling sector of financial resource is the principal risk and uncertainty the charity faces over the forthcoming financial year.

Deficit Funds and Going Concern Review

The Financial Deficit for the year is of concern to the Trustees, but it has been somewhat offset by the previous years' reserves and from donations from the Charity's wholly owned subsidiary. The Trustees are confident that the forecast from the Director will largely recover this deficit by FY 2018-2019.

Future Activities

The Charity will continue to deliver Alternative Education workshops and funded activities as in the past.

Investment Powers

The Trust Deed authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are currently held.

**PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)**

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31ST JULY 2016 (continued)

Structure, Governance and Management

Governing Document

The Charity is constituted by its Memorandum and Articles of Association dated 30th January 2007, amended 20th January 2011. The company became a registered charity on 25th January 2011.

Trustees and Directors

The trustees and directors who have served throughout the year, unless the date of appointment or resignation is noted are listed on page 1 of this report.

The organisation is structured with a Governance Team consisting of the Panel of Trustees under which sits a Management board consisting of all the Trustees and co-opted members as the Management Board see fit to appoint from time to time to avail themselves of their particular skill set. Further Trustees/Directors may be elected by unanimous vote of the Trustees. Trustees are inducted and trained in accordance with the requirements of The Charities Commission and are all fully aware of their duties and responsibilities.

Statement of Trustees' Responsibilities

The charity's trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice.

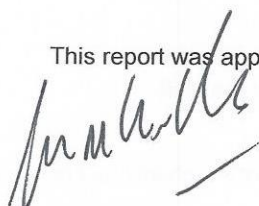
Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the income and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements 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.

This report, which is a Directors' Report required by s417 of the Companies Act 2006, has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) and in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 21st January 2017 and signed on their behalf by:



M M Willis
Trustee

INDEPENDENT EXAMINER'S REPORT**TO THE MEMBERS OF PEDESTRIAN LIMITED (LIMITED BY GUARANTEE)**

I report on the financial statements of the company for the year ended 31st July 2016 as set out on pages 6 to 11.

This report is made solely to the charity's trustees, as a body, in accordance with the section 43, Charities Act 1993 (as amended). My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of financial statements. The charity's trustees consider that an audit is not required for the year under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

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

- to examine the financial statements (under section 43(3)(a) of the 1993 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the 1993 Act); and
- to state where particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement

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

- a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
 have not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Vanessa J Graham FCA
Topaz Solutions Limited
Chartered Accountants & Registered Auditor

5 Giffard Court
 Millbrook Close
 Northampton
 NN5 5JF

21st January 2017

PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST JULY 2016

	Notes	Unrestricted Funds £	2016 Restricted Funds £	Total Funds £	2015 Total Funds £
Income and endowments from:					
Donations and legacies		35,414	-	35,414	45,422
<i>Income from charitable activities:</i>					
Grants receivable	2	-	146,260	146,260	150,303
Fees receivable		20,063	-	20,063	48,322
Rental income		820	-	820	1,523
Other income		-	-	-	4
Total income		<u>56,297</u>	<u>146,260</u>	<u>202,557</u>	<u>245,574</u>
Expenditure on:					
Expenditure on charitable activities	3	<u>115,319</u>	<u>143,125</u>	<u>258,444</u>	<u>237,508</u>
Total Expenditure	6	<u>115,319</u>	<u>143,125</u>	<u>258,444</u>	<u>237,508</u>
Net movement in funds		(59,022)	3,135	(55,887)	8,066
Total funds brought forward		<u>41,510</u>	-	<u>41,510</u>	<u>33,444</u>
Total funds carried forward		<u>(17,512)</u>	<u>3,135</u>	<u>(14,377)</u>	<u>41,510</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The accompanying notes on pages 8 to 12 form an integral part of the accounts.

PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET

AS AT 31ST JULY 2016

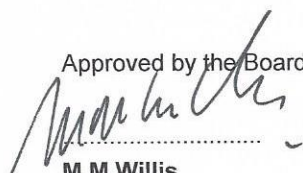
	Notes	2016 £	2015 £
Current Assets			
Debtors	7	71,773	48,292
Cash at bank and in hand		90,428	79,161
		<u>162,201</u>	<u>127,453</u>
Creditors:			
Amounts falling due within one year	8	176,578	85,943
Net Current Assets		<u>(14,377)</u>	<u>41,510</u>
Represented by:			
Restricted funds	9	3,135	-
Designated funds	10	-	40,000
Operating fund	10	(17,512)	1,510
		<u>(14,377)</u>	<u>41,510</u>

For the financial year ended 31st July 2016 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its profit or loss 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 financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) – "Charities SORP (FRS 102).

Approved by the Board for issue on



M M Willis

Trustee

The accompanying notes on pages 8 to 12 form an integral part of the accounts.

PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2016

1 Accounting policies

1.1 Basis of preparation

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) – “Charities SORP (FRS 102) and the Companies Act 2006.

1.2 Preparation of the accounts on a going concern basis

The Charity reported a deficit for the year of £55,887 in part due to unforeseen operational changes in staff resulting in a loss of income and the need to use external resource. The Trustees are of the view that the measures taken subsequently and the internal restructuring of the Charity have secured the immediate future of the Charity for the next 24 months. On this basis, in the opinion of the Trustees, the charity is a going concern.

1.3 Income

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

Income received in advance of any performance conditions is deferred until the conditions have been satisfied.

1.4 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds set aside by the Trustees for use for specific purposes. Restricted funds are grants and donations which have been received for specific projects of the charity.

1.5 UK taxation

As a registered Charity, the company is exempt from certain elements of UK Corporation Taxation. It is not registered in the UK for Value Added Tax and accordingly the cost of this tax is written off as part of the expenditure to which it relates.

1.6 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party. Costs of charitable activities comprise the costs incurred by the Charity to meet its charitable objectives; the provision of services and facilities. Support costs are those costs incurred to enable the Charity to deliver its programme of activities.

Salaries are apportioned between these costs on the following basis:

Charitable activities	- 90%
Support costs	- 10%

PEDESTRIAN LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST JULY 2016

2 Grants receivable (Restricted Funds)

	Deferred Grants B/F	Grants Received £	Deferred Grants C/f £	Grants Recognised £
National Foundation for Youth Music	26,828	83,745	(69,060)	41,513
Comic Relief	-	4,920	(4,920)	-
Prince's Trust	-	15,591	(3,656)	11,935
Leicestershire Music Education Hub	-	19,512	(6,382)	13,130
OPCC Leicestershire	40,181	33,447	(28,069)	45,559
Big Lottery/Cabinet Office (Local Sustainability Fund)	-	24,549	(16,717)	7,832
Big Lottery (Awards for All)	-	9,935	(8,965)	970
Children In Need	9,951	7,480	(4,858)	12,573
Other grants	-	25,005	(12,257)	12,748
	<u>76,960</u>	<u>224,184</u>	<u>(154,884)</u>	<u>146,260</u>

3 Expenditure on charitable activities

	2016 Unrestricted Funds £	2016 Restricted Funds £	2016 Total £	2015 Total £
Salaries and wages	54,224	50,987	105,211	86,827
Tutors and consultants	9,005	75,786	84,791	113,774
Materials and equipment	-	9,580	9,580	2,623
Fees, licences and venue hire	-	6,772	6,772	2,565
Support costs (note 4)	43,151	-	43,151	30,035
Governance costs (note 5)	8,939	-	8,939	1,684
	<u>115,319</u>	<u>143,125</u>	<u>258,444</u>	<u>237,508</u>

PEDESTRIAN LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST JULY 2016

4	Support Costs			2016	2015
				£	£
	Salaries and wages			11,690	9,647
	Staff training, welfare, travel & subsistence			6,773	2,113
	Professional fees			7,005	2,298
	Premises costs			14,247	14,191
	Insurance			1,937	1,678
	Office expenses			1,499	108
				<u>43,151</u>	<u>30,035</u>
5	Governance Costs			2016	2015
				£	£
	Accountancy and bookkeeping fees			8,820	1,500
	Interest and bank charges			119	184
				<u>8,939</u>	<u>1,684</u>
6	Total Resources Expended	2016	2016	2016	2015
		Restricted	Unrestricted	Total	Total
		Funds	Funds		
		£	£	£	£
	Staff costs comprise:				
	Wages & Salaries (including social security costs)	62,144	45,128	107,272	96,473
	Pension costs	-	5,652	5,652	-
		<u></u>	<u></u>	<u></u>	<u></u>

Trustees Remuneration

The Trustees did not receive any remuneration during the year under review and there were no reimbursed expenses (2015 - £nil).

PEDESTRIAN LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST JULY 2016

7 Debtors	2016	2015
	£	£
Trade debtors	9,227	39,680
Other debtors and prepayments	71,836	8,612
	<u>83,696</u>	<u>48,292</u>

8 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	5,546	7,483
Taxation and social security	-	1,182
Deferred income	154,884	76,960
Other creditors	28,071	1,500
	<u>188,501</u>	<u>85,943</u>

9 Restricted Funds

Restricted funds represent grants received for specific projects. Expenditure is matched to income over the period of the grant. Deferred income represents funds received for projects which will be completed in future financial periods.

10 Unrestricted Funds	Designated Funds	General Fund	Total
	£	£	£
Balance brought forward	40,000	1,510	41,510
Incoming resources	-	56,297	56,297
Outgoing resources	-	(115,319)	(115,319)
Transfer between funds	(40,000)	40,000	-
	<u>-</u>	<u>(17,512)</u>	<u>(17,512)</u>
Balance carried forward	-	(17,512)	(17,512)

PEDESTRIAN LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST JULY 2016

11 Analysis of Net Assets Between Funds

	Restricted Funds £	Unrestricted Funds £	Total £
Fund balances at 31 st July 2016 are represented by: -			
Debtors	67,591	4,182	71,773
Cash at bank & in hand	90,428	-	90,428
Creditors	(154,884)	(21,694)	(176,578)
	<u>3,135</u>	<u>(17,512)</u>	<u>(14,377)</u>

12 Related Party Transactions

During the year under review the company received donations of £35,320 (2015 - £45,000) from Pedestrian Trading Limited. As at 31st July 2016, £43,575 was due to Pedestrian Limited from Pedestrian Trading Limited (2015 - £33,500).

Pedestrian Trading Limited is a not-for-profit company limited by guarantee. M M Willis, a director and trustee of Pedestrian Limited, is the sole director of Pedestrian Trading Limited.

13 Controlling Party

The company is limited by guarantee. There is no ultimate controlling party.