

**Charity Registration No. 1111920**

**Company Registration No. 05572861 (England and Wales)**

**BRADNET**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

## **BRADNET**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Imtiaz Naqvi Matloob Hussain Farhat Yasin Gazala Iqbal S Khalil S Grisag
Secretary	Asif Hussain
Charity number	1111920
Company number	05572861
Principle address	Noor House 11 Bradford Lane Laisterdyke Bradford BD3 8LP
Registered office	Noor House 11 Bradford Lane Laisterdyke Bradford BD3 8LP
Auditors	Torevell Dent (Audit) LLP Hope Park Trevor Foster Way Bradford BD5 8HH

## **BRADNET**

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## **BRADNET**

### **TRUSTEES' REPORT**

#### **1. Structure, Governance and Management**

Bradnet is a company limited by guarantee incorporated on 23 September 2005 with company number 05572861. The company was established under a Memorandum and Articles of Association which form Bradnet's "governing documents".

Bradnet is also a charity registered on 14<sup>th</sup> November 2005 with charity number 1111920. Accordingly, the Board of Directors of the company are also its trustees for the purpose of charity law; however, throughout this report they are collectively referred to as "Directors".

Bradnet's registered office and principle place of business is Noor House, 11 Bradford Lane, Laisterdyke, Bradford BD3 8LP.

The Directors:

<b>Name:</b>	<b>Start Date:</b>	<b>End Date:</b>
D A North	17/06/2016	20/02/2017
I Naqvi	17/12/2012	----
G Iqbal	17/12/2012	----
M Hussain	17/12/2012	----
F Yasin	17/12/2012	----
S Khalil	23/08/2017	----
S Grisag	23/08/2017	----

Bradnet's Board of Directors is responsible for the strategic direction and sound overall management of Bradnet. The Board of Directors has members from a variety of professional backgrounds and lived experience of disability relevant to Bradnet's ethos and work. The Directors meet about every 6 to 8 weeks to discuss and decide upon strategic and business matters.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rest with the Chief Executive supported by the Care Manager and Finance Officer.

The Chief Executive is responsible for ensuring that Bradnet delivers the services that have been commissioned or funded and that key performance indicators are met. The out-sourced HR advice from Gordons Solicitors LLP and ad hoc targeted support from Walsh HR have assisted with Bradnet's personnel matters. Ad hoc advice on financial planning has been obtained from Peter Bloom (chartered accountant) and Wilkinson & Partners Chartered Accountants.

Our bankers: Barclays Bank plc, 10 Market Street, Bradford BD1 1NR.

Our auditors: Torevell Dent (Audit) LLP, Centre of Excellence, Hope Park, Trevor Foster Way, Bradford, West Yorkshire, BD5 8HH

## **BRADNET**

### **TRUSTEES' REPORT**

#### **2. Bradnet's Vision, Aims and Mission**

Bradnet's vision is that society should be truly inclusive with disabled people being treated as equal citizens.

Bradnet's mission is:

**"To promote equality and inclusion with disabled people".**

Bradnet's aim is:

**"To empower all disabled people to have choice and control over their lives and achieve real independence and quality of life".**

Bradnet's values are that Bradnet is committed to make a positive difference to all the people we work for and with. To promote and achieve our mission we will continue to:

**Engage** with all Bradnet people to design and deliver personalised quality services.

**Enable** Bradnet people to maintain dignity, independence, exchanging respect and building trust.

**Empower** all Bradnet people to have informed choice and control over their lives within their communities.

**Enrich** all Bradnet peoples' life experiences, encouraging access to new opportunities.

#### **3. Bradnet's Objectives and Activities**

Bradnet has the following objectives:

- Bradnet will involve disabled people in the planning and delivery of Bradnet's services and projects
- Bradnet will champion the right of every disabled person to challenge discriminatory or oppressive practice from a rights-based approach
- Bradnet will use the knowledge gained from its direct work with disabled people to campaign for equality and inclusion of disabled people at all levels
- Bradnet will support, inform and advocate for every disabled person and enhance his/her capacity to be independent, have improved life chances, reduce isolation and raise aspirations.

When planning our activities for the year, the Directors and senior managers have had due regard to the Charities Commission's guidance on public benefit. In particular, Bradnet seeks to help disabled people from all communities to enable them to exercise their rights of entitlement to access services, facilities or information. Bradnet is committed to the promotion of the social model approach to disability as a means of ensuring the inclusion of disabled people in society; it seeks to do this by addressing such barriers as a negative attitude, inaccessible information, inappropriate design of services, an inaccessible environment and inadequate support. Bradnet does not wish to duplicate existing services, but to help disabled people to access them. Bradnet also addresses the gaps in service provision and provides the impetus for remedying such gaps through its various activities. Bradnet's activities enable disabled people to have the ability, confidence and self-esteem to make informed choices over matters that affect their lives.

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### **TRUSTEES' REPORT**

#### **4. Introduction by the Chairperson**

Once again I'm pleased to present Bradnet's Annual Report for the year 1st April 2016 to 31st March 2017 on behalf of my fellow Directors and Trustees.

I have been the Chair of Bradnet for quite a few years now, and before that I was an ordinary Board member. As a visually impaired person, I understand only too well the daily challenges disabled people face in their lives; and so I believe that Bradnet can continue to make a positive difference in disabled peoples' lives through its vision of a world where disabled people have the same life chances as non-disabled people.

It has been another busy and challenging year in which there has been much to be anxious about and equally much to be pleased with:

- Our Independent Living Service (ILS) continues to provide high quality person-centred care and support. Following the business consolidation last year and the Care Quality Commission report, combined with restricting new contracts to allow stability, we have seen only modest growth in ILS;
- We have continued to deliver support to disabled people pursuing leisure activities with the support of volunteers through our Outreach service. However, a decrease in commissions and funding locally it has been disappointing that we have not been able to develop further our Outreach Service, for the challenges faced by disabled people in terms of lowering incomes, cost of disability and public attitude to disability are continuing factors in limiting disabled people's quality of life;
- After a lengthy process we acquired the former Bradford Registry Office through the generous support of the Power to Change Trust: this will provide the new base for our operations, as well as enabling us to rent space to generate income as part of a long-term strategy. We are currently in negotiations with various potential tenants;
- We have been successful in obtaining a National Lottery Awards for All grant to enable us to undertake primary research to evidence the need for an Outreach service as well as to undertake pilot sessions.

Generally in the health and social care sector it continues to be a difficult economic and social environment for all charities, especially small ones like Bradnet. We work with local authorities whose budgets are being squeezed; with reduced hourly rates for care against the background of increased operating costs such as National Living Wage, the sustainability of high quality care and support is challenging. At the same time, we have to match the expectations of our service users for support that meets their needs. Additionally, the nature of commissioning and local investment is constantly changing with the emerging Accountable Care System – it is not clear how engaged and transparent this will be.

Our turnover of £1,200,361 for 2016-17 has decreased compared with last year but this is due to various commissions ending and a higher than usual operating cost in order to invest and consolidate within the ILS to ensure quality and compliance with the Care Quality Commissions' requirements.

It is important to note that, firstly, Bradnet remains intent upon self-sufficiency by generating an appropriate level of income and, secondly, to manage expenditure more effectively. With regard to the first aspect, we have will implement our legal structure to better streamline our structure and services. Once completed this will lead to a more cost-effective delivery model. In relation to improved financial management, we have a professional Finance function comprising Peter Bloom (Finance Director): we are immensely grateful to Peter's calm and measured input and assistance. This is supplemented by support from Wilkinson and Partners Chartered Accountants. We have been analysing every expense and procuring more cost-effective services and facilities.

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In 2017-18 we have to be clear that continued success must be built on solid, sustainable finances and a clear, robust strategy. We are committed to lasting improvement in the ILS and the further development through grants of the Outreach Service; finally, the development of the Manor Row asset for income generation.

I'm clear that whilst the short-term is very challenging, the next few years offer us a unique and exciting opportunity to bring about real change for disabled people, and to bring that about by putting disabled people at the heart of all we do. I can't think of a more motivating, or more important, challenge.

I would like to end by thanking all those who have left Bradnet during the past year within the Board and staffing. I would like to thank the people responsible for the continued success of Bradnet, including my fellow Board members. In particular, the hardworking and dedicated members of staff who over the past year have excelled in the work they do despite everything. I would also like to thank the volunteers who have supported Bradnet's work in different ways. Finally, our work would not be possible without funding and the help, support and involvement from individuals, funders, partners and stakeholders; I would therefore like to record our sincere thanks to the following:

- Andrew Gibson (Business Services Leeds Ltd – Solution Focused Support)
- Andrew Mason (Newmason Properties Ltd)
- Bradford District Care Trust NHS
- Bradford Adult & Community Services
- Community Advice Network (Bradford District)
- Care Quality Commission (CQC)
- DJD Training - Daniel Davies
- Department of Services to Children & Young People (covering Services to Children and Young People, Play Team, Short Breaks & The Children's Complex Health and Disability Team)
- Department of Work and Pensions / Job Centre Plus
- Disability Rights UK
- Equality Together
- Jon Smethurst
- Kay Wright
- Morley Street Resource Centre
- Neil Coulson
- Peter Bloom
- Wilkinson & Partners Chartered Accountants
- David Wilford (Ysustain Ltd)

Imtiaz Naqvi  
Chair, Bradnet Board of Directors  
29<sup>th</sup> January 2018

## **BRADNET**

### **TRUSTEES' REPORT**

#### **5. Words from Asif Hussain (Chief Executive)**

I cannot believe that another year has flashed by and it has been yet another roller-coaster year of trials and triumphs. The community and voluntary sector in particular, as well as the health and social care arena in general, is having serious challenges for survival and sustainability against a backdrop of cuts, over-subscribed funding opportunities and constraints on resources. The prognosis remains gloomy as there is no real conversation about new money for the health and social care sector, and local authorities are making significant reductions in services and funding. Therefore the only option for small organisations like Bradnet is to consider different avenues of income generation.

Despite the various challenges Bradnet has faced, many disabled people continued to receive our care and support as well as other benefits from our services. We could not do what we do without our dedicated employees, volunteers and other supporters and I am immensely grateful to all.

We have undertaken the delivery of personal and social care and support through our Independent Living Service (ILS) where we have continued to improve quality, systems and processes; provision of ad hoc advice and support through our Outreach and Advocacy Service; and recruitment of an excellent team of volunteers to support leisure activities for disabled young people in partnership with Bradford Council. Additionally, we have continued to provide welfare rights advice to local disabled people through the surgery at our premises delivered by Equality Together.

As with other organisations we've had to deal with issues related to staff, systems and processes and this has been a serious distraction from achieving significant growth and development. It has continued to be a challenge bringing our vision into reality in the face of an ongoing search for stable and viable Board and staff teams, obtaining the necessary funds and maintaining cohesion within Bradnet.

Following substantial internal reviews it was decided to reduce the scale of the ILS. Whilst it still delivered its vital care and support service, it was recognised that there were major concerns in terms of the risk related to the nature of the care contracts, inappropriate staff skills and the continued squeeze on the hourly rate paid by the Council. This led to a major business consolidation during the year which resulted in the TUPE and redundancy of various staff, and Bradnet has had to concentrate on regrouping and rejuvenating its business. The decision to reduce the scale of the ILS was painful as it was unpalatable to give up business but the priority had to be to ensure the safety of service users, the development and delivery of a high quality service and restoring confidence in Bradnet on the part of commissioners and other stakeholders. I must record our thanks to Bradford Council officers for aiding a smooth process, and I firmly believe we are now well placed to grow and develop.

Disabled people have continued to receive our unique person-centred advice, support and advocacy, and demand for our support remains high. Despite the loss of commissions, the Disability Outreach and Advocacy Service has continued to develop measures to ensure greater connection with our service users through a programme of consultation events and user-led forums such as the Our Place Project. We remain committed to ensure ongoing user consultation and involvement to develop Bradnet into a leading disabled people's organisation with genuine user involvement. In this context, I remain convinced that it is essential to make a sustained investment in supporting real co-design that seeks to ensure true user involvement from governance to service delivery; this will ensure that Bradnet remains responsive and relevant to need. We undertook a business development review as well as a valuable Theory of Change workshop to gain a collective understanding of our business direction and development.

In accordance with the aim of generating independent unrestricted income we completed the purchase of the former Bradford Registry Office at 22 Manor Row from Bradford Council. Having successfully got it registered as an Asset of Community Value we embarked on a difficult path to acquire it – there were challenging



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### **TRUSTEES' REPORT**

Negotiations with Bradford Council, funding obstacles and various hurdles in resolving complex funding, lending and VAT issues. However, following the magnificent support of the Power to Change Trust by way of a grant towards the purchase and business development support, we finally acquired the building in April. One of the iconic buildings in Bradford, it offers the opportunity for Bradnet to acquire a city centre base, high profile and car parking, as well as the ability to obtain partners and tenants. Moreover, the building will avail Bradnet the chance to develop a real community hub with stakeholder involvement and membership.

Due to these considerations, Bradnet has not as yet completed its legal group restructure that was flagged up in the previous annual report. I envisage this being completed this year.

In order to make a major impact from our work, we will respond to the complex challenges we face – targeting our limited resources effectively, influencing and working in partnership with others, ensuring we are efficient in all that we do, whilst we broaden our focus.

It is clear that within a very altered health and social care arena Bradnet needs to embrace in-depth change, both strategically and operationally. We need to demonstrate that both internally and externally we understand and can apply our ethos effectively and can communicate it at all levels. In order to achieve this we need to ensure solid user involvement and engagement and, through such a process, ensure continuous evaluation and review of our services to show that Bradnet remains relevant. Furthermore, we need to implement measures for clear evidencing of the social impact of our work. Above all, success will remain elusive unless we invest in a higher level of governance and personnel skills and talents to ensure that organisational behaviour is clearly in accordance with our ethos. It goes without saying that we need additional significant funding.

I would confirm that Bradnet remains fully compliant with its health and safety obligations through its appointed Health and Safety Agent and internal processes. In addition, Bradnet has made significant progress in revising many of its policies and procedures. However, we need to constantly improve our policies and processes to ensure that Bradnet demonstrates a rights-based approach.

I would like to end by thanking most sincerely the Bradnet Board of Directors for their continued support and commitment; we are fortunate to have a very supportive, professional and enthusiastic Board with an ever improving set of skills and talents. I also wish to thank most sincerely all the staff, both past and present, office-based and the PAs as well as volunteers, for ensuring the continued delivery of Bradnet's services.

**Asif Hussain**

**CEO**

**29<sup>th</sup> January 2018**

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### **TRUSTEES' REPORT**

#### **6. Achievements and Performance**

##### **6.1 Disability Outreach and Advocacy Service**

After the ending of the remaining commission from Bradford Council for the Outreach Service in 2015 Bradnet was funded until September 2016 to deliver a pilot Volunteer Service: the aim of the new service is to work in partnership with Bradford Council to:

- Recruit, train and supervise volunteers to work within Bradford Council Settings
- Support volunteers to assist paid Council workers to support young disabled people to access leisure and recreational activities such as clubs, activities and summer camps run by the Council.

##### **What we have done this year:**

- Received 15 enquiries to be a volunteer
- Recruited over 11 volunteers
- Volunteers have donated over 1,000 hours of volunteering time
- We have given additional support to parents and carers of disabled people who require specialist advice on disability or access and support issues.

In this period we have explored new avenues to generate further interest in the volunteering scheme. We have forged stronger links and networks with Volunteering Bradford and Newlands Enterprise (community organisation) to join up recruitment and signposting for volunteers they could not accommodate.

We have delivered presentations to various audiences in different settings to generate interest in volunteering and awareness of disability.

Unfortunately, with the ending of the volunteering pilot many of the volunteers have had to be transferred to other settings within the Council; however, it is envisaged that as part of the overall business planning there will be a major drive to generate another core of volunteers to enhance our offer of support to our service users.

A lot of partnership work has been carried out in 2016-17 and we shall maintain this in the future, including the benefits advice surgeries in partnership with Equality Together, local housing associations and regionally through the Disabled People User-Led Organisations and forum.

Bradnet has also received prominence through membership of the Board of trustees of DeafBlind UK.

##### **The long-term plans for the service are to achieve:**

- Better links with schools and colleges to agree long-term partnership and volunteer development
- Continue to attract more volunteers to the scheme and improve opportunities available
- Improve feedback gathering from service users, volunteers and placements to improve the quality of the service
- Better training for volunteers, work with Special Inclusion around induction and shadowing
- Closer relationships with placements regarding shadowing and induction
- More robust supervision and support mechanisms in place

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### **TRUSTEES' REPORT**

- Aim to progress volunteers toward employment, ensure there is a clear route from volunteering to employment at Bradnet or other settings including Bradford Council
- Identification of ways to develop and revive the Outreach Service either as a separate service or as part of a holistic Independent Living Service.

#### **6.2 Independent Living Service (ILS)**

The aims of this service are to:

- Enable disabled people to lead an independent life through a person-centred support plan
- Empower people to maintain their independence through support provided by highly trained Personal Assistants (PAs) who promote choice and support with personal care, access to the community and help to maintain independence with support in people's own homes
- Enrich the individual's life by ensuring that his/her rights, choices, customs and beliefs, dignity and respect are maintained and respected at all times.

What we have done this year:

There have been some significant changes within ILS this year and subsequently ILS has faced several areas of critical challenge. January 2017 was the beginning of a new chapter. In November 2016 we were supplying support to 85 service users; however, we made a difficult decision to return more than half of the contracts and TUPE a further 29 to another care company along with the staff. We currently supply around 5,000 hours of support per month through a variety of contracts from the Council, Continuing Health Care, private and Direct Payment. We currently have 27 active Personal Assistants (PAs).

Operationally there are 2 Co-ordinators on a 2 weekly rota.

In May 2016 Bradnet implemented a voluntary embargo on taking new contracts to allow time and space to assess the type of contracts we had, whilst undertaking a root and branch review of the nature of contracts we could and should deliver taking into account our operational capacity and capability, our ultimate desire being to provide a high quality and safe service. It is a testimony to Bradnet's desire to proactively invest for positive change that when the CQC re-inspected in May 2017 the previous rating of "Requires Improvement" in all areas was changed to "Good" in 3 areas. The areas of 'well led' and 'safe' remained at "Requires Improvement", mainly due to the CQC's desire to ensure that the new system we had implemented, One Plan, being fit for purpose. This is now fully implemented. We are due to be inspected in the next 3 months and we are confident that the CQC will be happy with the tremendous progress made, especially as the Council has undertaken its own inspection and has shown confidence in our ability to deliver by enabling us to take new contracts.

Whilst the organisations focus is of course on growth, it has been important for ILS to focus on stability and quality. A lot of time has been spent on ensuring service user satisfaction, quality compliance and staff retention. Our next phase will be about development and growth based on quality assurance. The plans to develop as a specialist service and broaden our horizons in other areas is under way, and this will bring many opportunities. ILS has good potential to develop into something big; however, this needs to be undertaken in a measured secured way to avoid the mistakes of the past. This way we can develop relationships with the council and partners and secure our future enabling us to remain at the centre of Bradnet as an organisation.

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#### **6.3 The Short Breaks Service**

The Short Breaks Service has gone from strength to strength this year providing 3 hours of support on a weekend to over 30 young people for over 2,087 hours. The service allows young people to access the community or to join activities they may not ordinarily get the opportunity to enjoy.

The service may change this coming year as the drive towards personal budgets allows families to have control of their own funding to enable a more personalised level of support; the short breaks service at Bradnet is already in talks with Bradford Council about how best we can support people with this transition.

#### **Case Study 1:**

ST as a learning disability and lives in supported accommodation. It was decided in 2009 that ST needed extra support with social inclusion; so she received 2:1 support from Bradnet to enable her to access the community. At the time ST displayed challenging behaviour and she had a history of absconding and at time inappropriate behaviour in public.

Bradnet staff began by taking ST out for a meal and to the cinema, undertake social activities that she otherwise would not. Though ST cannot communicate verbally it was clear that this was having a positive effect on her behaviour over time as she was now exhibiting less challenging behaviour.

The 2:1 support continued, and we were asked by the staff in her home to support with healthy eating and exercise. Bradnet staff began taking ST for walks in the park and supported ST to make healthier food choices and better portion sizes. This resulted in a 1 stone weight loss which is of significant benefit to ST's health.

Bradnet staff continue to work with the accommodation staff to ensure ST continues on her healthy eating plan; they support and encourage her to exercise and make healthy food choices. ST rarely shows her challenging behaviour anymore and has built trust with the staff that support her.

Bradnet support has improved ST's wellbeing, physical health and behaviour significantly.

#### **Case study 2:**

We received a call from a family member of GM. She was very upset as the Continuing Health Care who fund some support packages within Bradford were stating that her father would have to go into a nursing home. GM has dementia and had been in hospital after a fall. Whilst in hospital he had displayed some aggressive behaviour; his daughter also stated he had been aggressive once before at home towards her mother.

We spoke to the family in depth and contacted Social Services. The Social Worker involved informed us that they could not find an organisation to take on the package. Our Co-ordinator went to the hospital to meet GM; from the information gathered we put together an offer. The family and Social Worker took this to Continuing Health Care who agreed to fund 4 one-hour calls a day with 4 nights a week, the remaining time would need to be covered by the family; however, this could be reviewed at any time.

We began to support GM, and this has gone well and the family are happy that they have their father home. The benefits for GM are that he is surrounded by his family with familiar surroundings and he is able to be managed by consistent staff that now know his triggers and identify when he is becoming agitated, they can then use their training to support GM and the family through this.

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### **TRUSTEES' REPORT**

## **7. Future Plans**

### **7.1 Strategic Context**

The Bradford and Airedale Health and Wellbeing Board is the strategic partnership responsible for public health, working to create sustainable, modern, integrated services that support people to be healthy, well and independent. The Health and Wellbeing Board's goal is to use the Better Care Fund to bring budgets together to design services that work better together, provide value for money and help improve health and wellbeing. Key strategic objectives over the next 4 years include:

- Prevention comes first and needs are met earlier
- Demand for urgent and unplanned care is reduced
- People are supported to remain independent for longer, minimising hospital and nursing care
- Resources are focused on mental wellbeing as much as physical wellbeing
- Self care programmes are developed to help people manage their own health<sup>1</sup>

Market research has identified growth in elderly residents with disposable income in need of home care. Population forecasts predict that the 65+ age group will grow exponentially over the next 20 years.

#### **The Council's Commissioning Intentions**

- Demand is expected to increase significantly, especially in certain demographic areas
- Demand for specialist care for Dementia services is also likely to increase
- There will be an increased focus on people having personalised budgets using mechanisms such as direct payments and Individual Service Funds.
- The focus on preventative, re-enablement and early intervention service provision will become increasingly important. This is in order to support individuals to live healthy and independent lives in their own homes for longer, to reduce or delay the demand for health and social care services, for example residential care.

#### **Key statistics pointing to growth in the care market**

- According to the latest Office for National Statistics (ONS) estimates of population there are 74,900 people aged over 65 in the district. It is expected that this group will increase by 12% over the next 5 years, reaching a total of 83,900 by 2020.
- The number of people over 85 years of age is forecast to increase by 20% over the next five years and by nearly half by 2025.
- It is estimated that 19,100, 25% of over 65 year olds in the district have a long term health problem or disability which significantly restricts their activities.
- If this % remains similar in future years there will be approximately 2,300 more in total by 2020.
- It is estimated that about 30,000 elderly people are unable to manage at least one domestic task on their own, and this will increase significantly over the next 5 years.
- The number of disabled older people will increase.
- There is an ageing cohort of 'ethnic minority elders'.
- Increasing number of younger disabled people making transition from children to adults.
- One third of total population non-white/10% of over 65 population non -white.

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<sup>1</sup> Bradford District Plan 2016-20

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### **TRUSTEES' REPORT**

#### **Bradnet's Competitive Position**

Bradnet's main competitors in this publicly-funded community care market are all private care providers. Whilst the strengths (and opportunities) of these competitors are reputation and robust business and operational models, their weaknesses (and threats) are private profit and the shrinking profit margins in the care sector. Whereas Bradnet's USPs are:

- ✓ Sustained experience of South Asian disability market in Bradford
- ✓ Our delivery model is people-centred and innovative
- ✓ Strong management team due to reorganisation
- ✓ Company restructure
- ✓ Strong finances and controls
- ✓ Track record over 20 years
- ✓ Reinvestment of income generated into front line services (no profit sharing etc), therefore driving an operating culture of continuous improvement and heightened service user outcomes

Moreover, given that Bradnet's current share of the market is minimal, even if we were to increase market penetration by as much as 50%, this would still only result in approx 2% net market share.

Apart from the growth of the care service, the former Bradford registry office offers various opportunities for developing income through office rentals and other associated income. The acquisition of the building offers a solid income stream for the charity for the long term which diversifies income.

Therefore, Bradnet aims for long-term sustainability through income receipt from commissioned service delivery, development of the non-commissioned care element, trading and asset development, based on solid organisational and business planning.

#### **7.2 Infrastructure**

- - To ensure greater involvement of disabled people at all levels within Bradnet through a commitment to co-design
  - To undertake an ongoing revision of structure, governance arrangements and operations to achieve greater clarity of purpose, value for money, efficiency and effectiveness
  - To develop a core of volunteers led by a Volunteer Co-ordinator to assist with fund-raising and to supplement some of our service delivery
  - To identify and occupy new premises which give Bradnet greater profile and presence
  - To complete a review of our "branding" and implement a well-thought through communications and marketing strategy to include our website and social media strategy
  - To build productive relationships with local businesses and suppliers to gain their sponsorship, donations and support
  - To maintain and enhance quality standards in relation to Investors In People and AQS (Advice Quality Standards)
  - To put in place measures for assessing the social impact from the investment from funders and commissioners through various business planning, case management and evaluation processes.

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#### **7.3 Disability Outreach and Advocacy Service**

- To undertake primary research to identify current need and demand for an Outreach Service
- To produce a strategy for Outreach and Advocacy, defining our offer either as a standalone service or as a part of the Independent Living Service
- To devise a funding strategy based on need and demand
- To establish and maintain the Bradnet service user group
- To carry out a gap analysis of our current service users to widen our reach
- To promote greater awareness of Bradnet's work with commissioners and funders to attract greater investment
- To continue to create solid partnerships with other organisations involved in the disability arena in order to provide a holistic service to our service users
- To produce a regular ebulletin / newsletter
- To set up a social policy reporting procedure, enabling the team to identify, report and campaign on areas of concern for service users
- To offer high quality disability equality training to promote disability awareness to ensure good practice

#### **7.4 Independent Living Service (ILS):**

- To enhance ILS through completing the restructure we have embarked on this year, carry out a review of operations backed by a significant investment in human and technical resources to reinforce high quality service delivery
- To establish a 3-year business plan
- To increase the diversity of the service users supported
- To ensure regular consultation and evaluation with service users e.g. through forums
- To develop the service in other local authority areas to ensure long-term sustainability
- To enhance the support to the growing pool of PAs through improved communication, training and a peer support forum
- To understand and embrace the personalisation agenda and ensure ILS is responsive to need

To ensure compliance with the requirements of CQC and local authority accreditation.

### **8. Fund-Raising Policy**

The Board of Directors is updated at each Board meeting on current and future activities and it ensures that they are within Bradnet's vision and powers.

During this year we have received a new grant from the Power to Change Trust to enable Bradnet to purchase the former Bradford Registry Office and for business development.

We also received a grant from National Lotteries Awards for All to undertake primary research into the needs of disabled people for an Outreach Service so that we can develop this service in response to current need.

It is clear that the grant-making environment continues to be very difficult, as many applications to trusts have been unsuccessful.

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We need to invest in a major Corporate Fund-raising Strategy as well as applying ourselves more to winning tenders and commissions from local authorities and the CCGs as well as the new Accountable Care Organisation.

We engaged Neil Coulson to devise a funding strategy which takes into account our various requirements; this will be followed through during the coming year to seek funding from appropriate funders.

### **9. Related Parties**

Bradnet remains committed as always to work in partnership with local statutory and voluntary agencies, as this avoids duplication and maximises value for money for funders and the community at large. In this context, Bradnet has many projects that are undertaken jointly with other agencies, and is often a principal consulted in the design of new services and initiatives by Bradford Council and the NHS. Our Welfare Rights Service delivered in partnership with Equality Together continues to be over-subscribed.

In addition, Bradnet seeks to link its work closely to local health and social care plans and policies, particularly the Strategic Disability Partnership Priorities and the Health and Wellbeing Board.

Bradnet is also intent upon sharing its practice experience on a regional and national level; therefore, it is a key contributor to consultations on initiatives (such as those related to equality and diversity) and new services put forward by national agencies such as the Care Quality Commission, Disability Rights UK and the Equality and Human Rights Commission (EHRC). This is important as it ensures that there is shared learning and that Bradnet benefits from a wider perspective on, and profile of, its work.

In the light of impending substantial cuts in the funding of public services there is an even greater need for working in partnership and in collaboration. In the next 3 years the voluntary and community sector will be radically different, not only because of the personalisation agenda but because of the change in commissioning and reduction of overall funding. Organisations will, therefore, have to be agile and robust in order to survive.

### **10. Risk Management**

Bradnet has revised its previous risk management framework to identify a greater cross-organisational approach. This awaits further review and implementation following input from all managers and Board members.

In general, there exists a critical mass of knowledge about Bradnet's strengths and weaknesses, and there is an understanding of the business and financial risks faced by the company. This understanding is gained from advice and analysis provided by financial advisers and the auditors who has a sound grasp of Bradnet's financial and business standing. The understanding as to risk is also based on Board discussions, senior managers, staff feedback in group and one-to-one meetings and business planning meetings. This collective feedback has given management an insight into the areas in which matters require improvement - namely staff management and retention, administration, infrastructure, implementing a sophisticated customer relations management system for the ILS, asset development and improved grant management processes.

Ongoing feedback through staff surveys and listening exercises has revealed that the major risks and threats to the operation of Bradnet relate to the loss of key staff skills, insufficient infrastructure and the ending of funding. There is the added threat of external competition for limited commissions, and especially market competition for the ILS which could threaten income generation.



## **BRADNET**

### **TRUSTEES' REPORT**

These concerns are being addressed through a number of measures including the establishment of a solid Finance function, tighter financial controls, business planning (which will incorporate a SWOT analysis and risk management), implementing a Fund-Raising Strategy and applying for further funding, succession planning, use of expert advice and the implementation of more rigorous recruitment and selection procedures for recruiting staff with the appropriate skills sets; the introduction of further staff benefits to retain staff. We also need to invest in improving and developing our website and social media systems to give Bradnet a greater profile. Moreover, we are committed to enhancing the ability of the Board to have greater financial understanding and scrutiny by offering training and support from the auditors. We have also enhanced the skills sets on the Board through wider recruitment.

### **11 Financial Review**

#### **11.1 Financial Performance**

##### **11.1.1 The Disability Outreach and Advocacy Service**

In view of the changes in the commissioning landscape, the opportunity has arisen to address the long-term design and delivery of this service. A business planning process began in February 2017 and this is linked to an overall funding and operational review based on the Theory of Change analysis.

##### **11.1.2 Independent Living Service (ILS)**

During the year the ILS has delivered an average of 4,000 hours' care and support per calendar month. The ILS income has reduced as stated previously due to business consolidation for 2016-17. We are forecasting sustainability of this service with most growth at 10% in 2017-18.

Bradnet has been cautious and realistic with its growth ambitions for 2017-18 due to the uncertainty based on the wholesale cuts and also future impact of the personalisation agenda. However, it feels that sustaining income at this level is more than achievable. Bradnet is ready for the personalisation agenda; however, the impact has been less in the year than expected and Bradnet feels that this will have more of a gradual impact over the coming years.

#### **11.2 Reserves Policy**

The Directors have examined the company's requirements for reserves in light of the main risks to the company. The Directors have adopted a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the company should be between 3 and 6 months of Bradnet's annual gross expenditure.

Reserves are needed to bridge the funding gaps between spending on productions and events and receiving resources through grants and donations. Reserves are also held to cover contingencies, for instance emergency repairs and maintenance.

During 2016-17 Bradnet continued to build reserves through a specific Reserve Fund Account at £3,000 per calendar month; however, in view of the delay in moving to Manor Row and thereby sustaining costs of 2 sites as well as meeting initial costs at Manor Row leading to cash flow pressures the reserves have had to be used

## **BRADNET**

### **TRUSTEES' REPORT**

for meeting essential liabilities in anticipation of tenancies at Manor Row. It is envisaged that during 2017-18 and beyond there will be a commitment to develop the reserves.

The long-term target for Bradnet will be to achieve 6 months' budgeted expenditure in reserves which in terms of 2017-18 expenditure will be in the region of £350,000. The reserves are needed to meet the working capital requirements of the company, and the Directors are confident that at this level they would be able to continue the current activities of the company in the event of a significant drop in funding.

The present level of free reserves (i.e. excluding restricted funds and those funds invested in fixed assets) is presently short of this target level in view of investments in the services and historical development costs. The reserves still may come under some pressure in 2017-18 due to the need for continued investment in infrastructure and services; however, Bradnet would prefer to fund the costs out of operational surpluses.

The Directors have established a designated fund to reflect the funds invested in the charity's fixed assets in the net amount of £393,000.

The Directors are minded to establish a contingency fund to cover employee termination costs in the event of a decline in funds and will continue to develop this over the next 3 years.

#### **11.3 Investment Policy**

The Board of Directors has the power to invest in such assets as it sees fit from time to time. However, Bradnet sometimes needs to respond very quickly to particular events and so has a policy of keeping surplus liquid funds in its current account in order to access the funds expeditiously. The Directors will consider in future alternative investment opportunities as reserve funds are accumulated.

Above all, the Directors will seek to obtain expert investment advice following research and consultation in the forthcoming financial year. All investment decisions will be based on the financial need and strength of the company at any given time. Bradnet may look to invest in short-term bonds which are within the depositor protection scheme of £85,000. Although at this time the interest rates are quite modest, it is an effective way of Bradnet building up additional reserves.

## **BRADNET**

### **STATEMENT OF DIRECTORS RESPONSIBILITIES**

#### **12. Directors**

##### **12.1 Responsibilities of the Directors**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Directors should follow best practice and:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) Prepare the financial statements in the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time Bradnet's financial position, and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the presentation and detection of fraud and other irregularities.

##### **12.2 Certification by the Members of the Board of Directors**

Members of the Board of Directors, who are Directors for the purpose of company law and trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on page 1 of this Annual Report.

In accordance with company law, as the company's Directors, we certify that:

- a) So far as we are aware there is no relevant audit information of which the company's auditors are unaware; and
- b) As the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

##### **12.3 Accounting Principles and Authorisation**

The Financial Statements have been prepared in accordance with the Statement of recommended Practice: Accounting and Reporting by Charities (issued March 2005 by the Charities Commission) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities, and Bradnet's governing documents.

Approved by the directors on 29<sup>th</sup> January 2018 and signed on its behalf under delegated authority by:

**Imtiaz Naqvi**  
**Chairperson**

## **BRADNET**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF BRADNET**

We have audited the financial statements of Bradnet for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustee and auditors**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of Bradnet for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards required us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2017 and of its income and endowments and application of resources, including its income and expenditure, for the year 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 Charities Act 2011.

## **BRADNET**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF BRADNET**

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

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

- the information given in the Trustees' report is inconsistent in any material respect with the accounts, or
- the charitable company accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.
- adequate accounting records have not been kept by the charitable company.

Michael. B. Fox FCA, FCCA (Senior Statutory Auditor)

Torevell Dent (Audit) LLP  
Chartered Certified Accountants  
Statutory Auditor  
Centre of Excellence  
Hope Park  
Trevor Forster Way  
Bradford,  
West Yorkshire  
BD5 8HH

29<sup>th</sup> January 2018

Torevell Dent (Audit) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**BRADNET**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2017**

		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
	<b>Notes</b>				
<b><u>Income and endowments from:</u></b>					
Donations and legacies	2	1,027	0	1,027	103,136
Charitable activities	3	876,698	319,316	1,196,014	1,557,945
Investments	4	80	0	80	90
Other income	5	3,240	0	3,240	9,298
		-----	-----	-----	-----
<b>Total income and endowments</b>		<b>881,045</b>	<b>319,316</b>	<b>1,200,361</b>	<b>1,670,469</b>
		-----	-----	-----	-----
<b><u>Expenditure on:</u></b>					
Charitable activities	6	1,068,474	59,316	1,127,790	1,747,301
		-----	-----	-----	-----
<b>Total resources expended</b>		<b>1,068,474</b>	<b>59,316</b>	<b>1,127,790</b>	<b>1,747,301</b>
		-----	-----	-----	-----
<b>Net (expenditure)/income for the year</b>		<b>(187,429)</b>	<b>260,000</b>	<b>72,571</b>	<b>(76,832)</b>
Transfer between funds		260,000	(260,000)	0	0
Fund balance brought forward		384,999	0	384,999	461,831
		-----	-----	-----	-----
<b>Fund balances carried forward</b>		<b>457,570</b>	<b>0</b>	<b>457,570</b>	<b>384,999</b>
		=====	=====	=====	=====

**All income and expenditure derived from continuing activities. The charity has no recognised gains or losses for the year other than the results above.**

**The notes on pages 21 to 30 form an integral part of these financial statements.**

**BRADNET****BALANCE SHEET****AS AT 31 MARCH 2017**

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	10		577,327		239,394
Investments			1		1
			-----		-----
			577,328		239,395
<b>Current assets</b>					
Debtors	11	178,028		165,127	
Cash at bank and in hand		24,000		305,394	
		-----		-----	
		202,028		470,521	
<b>Creditors: amounts falling due within one year</b>	13	237,461		234,516	
		-----		-----	
Net current (liabilities) assets			(35,433)		236,005
			-----		-----
<b>Total assets less current liabilities</b>			541,895		475,400
<b>Creditors: amounts falling due after more than one year</b>	14		(84,325)		(90,401)
			-----		-----
<b>Net assets</b>			<b>457,570</b>		<b>384,999</b>
			=====		=====
<b>Income funds</b>					
General unrestricted funds			457,570		384,999
Restricted funds			0		0
			-----		-----
<b>Total funds</b>			<b>457,570</b>		<b>384,999</b>
			=====		=====

The financial statements were approved by the board of directors and authorised for issue on 29<sup>th</sup> January 2018 and are signed on its behalf by:

.....  
**Imtiaz Naqvi**  
**Trustee**

**BRADNET****STATEMENT OF CASHFLOW****AS AT 31 MARCH 2017**

	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b><u>Funds</u></b>	<b><u>Funds</u></b>
<b>Cash flows from operating activities:</b>		
<b><i>Net cash provided by (used in) operating activities as below</i></b>	<b>(49,173)</b>	<b>114,315</b>
	-----	-----
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(351,799)	(8,951)
Proceeds from sale of property, plant and equipment	0	0
	-----	-----
<b><i>Net cash provided by (used in) investing activities</i></b>	<b>(351,799)</b>	<b>(8,951)</b>
	-----	-----
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(6,391)	(6,047)
Cash inflows from new borrowing	125,969	0
	-----	-----
<b><i>Net cash provided by (used in) financing activities</i></b>	<b>119,578</b>	<b>(6,047)</b>
	-----	-----
<b><i>Change in cash and cash equivalents in the reporting period</i></b>	<b>(281,394)</b>	<b>129,313</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>305,394</b>	<b>176,081</b>
	-----	-----
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>24,000</b>	<b>305,394</b>
	=====	=====
 <b>Reconciliation of net income/(expenditure) to net cash flow from operating activities :</b>		
 <b><i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i></b>	<b>72,571</b>	<b>(76,832)</b>
 <b>Adjustments for:</b>		
Depreciation charges	13,865	14,017
Loss on sale of fixed assets	0	0
Increase/(decrease) in debtors	(12,901)	267,505
Decrease/(increase) in creditors	(122,708)	(90375)
	-----	-----
<b>Net cash provided by (used in) operating activities</b>	<b>(49,173)</b>	<b>114,315</b>
	=====	=====



**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting policies**

**Company information**

Bradnet is a private company limited by guarantee incorporated in England and Wales. The registered office is Noor House, 11 Bradford Lane, Laisterdyke, BD3 8LP.

**1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

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

**1.2 Going concern**

Following the Care Quality Commission review (CQC) future funding has become uncertain with wholesale cuts and market pressures. After significant restructuring and moving to new premises that enables further income streams, the organisation has a positive outlook for the coming years. Lenders are continuing to support the company and a lucrative lease providing rental income is expected to commence in early 2018. Moreover, Bradford Council still retains confidence in commissioning Bradnet to deliver care, and other funders such as Big Lottery are continuing to make grants for capital and revenue projects. Thus the trustees' continue to adopt the going concern basis in preparing the accounts and at the time of approving 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 those donated for use in a particular area or are for specific purposes, the use of which is restricted to that area or purpose.

**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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

**1.5 Resources expended**

Resources expended are recognised in the period in which they are incurred. Resources expended are allocated to the particular activity where the cost relates directly to that activity. Overhead expenditure has been allocated between the cost centres of Resources Expended in accordance with the usage of the assets of the benefit of the expenditure concerned.

**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting policies (continued)**

**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	2% straight line
Fixtures, fittings & equipment	25% reducing balance

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

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a valued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.8 Cash and cash equivalents**

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

**1.9 Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**1 Accounting policies (continued)**

**1.10 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**2 Donations and legacies**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Grants receivable	1,027	103,136

**3 Charitable activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Sales within charitable activities	1,196,014	1,557,945
Analysis by fund		
Unrestricted funds	879,698	1,557,945
Restricted	319,316	0

**4 Investments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest receivable	80	90

**5 Other income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other income	0	8,218
Rental income	3,240	1,080
	-----	-----
	3,240	9,298
	=====	=====

**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

<b>6</b>	<b>Charitable activities</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
	Staff costs (See note 7)	873,175	1,478,563
	Depreciation and impairment	13,865	14,017
		-----	-----
		887,040	1,492,580
	Share of support costs (See note 9)	230,755	244,720
	Share of governance costs (See note 9)	9,995	10,001
		-----	-----
		1,127,789	1,747,301
		=====	=====
	<b>Analysis by fund</b>		
	Unrestricted funds	1,068,474	1,644,165
	Restricted funds	59,316	103,136
		-----	-----
		1,127,790	1,747,301
		=====	=====

**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

<b>7</b>	<b>Staff costs</b>	<b>Total</b>	<b>Total</b>
	Staff costs during the year were:	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	816,574	1,408,289
	Social security costs	49,702	60,804
	Other pension costs	6,899	9,470
		<b>873,175</b>	<b>1,478,563</b>

The average number of persons (including senior management team) employed by the Academy during the year based on actual numbers was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Charitable Activities	59	82
Internal staff	10	14
	<b>69</b>	<b>96</b>

**Key management personnel**

Key management personnel are defined as the members of the senior management team as noted on page 1. Aggregate staff costs for key management personnel were as follows:

	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2016</b>
Wages and salaries	83,378	121,027
Social security costs	9,189	13,266
Other pension costs	2,400	3,311
	<b>94,967</b>	<b>137,604</b>

**8 Trustees expenses**

Expenses were reimbursed to 2 trustees during the year amounting to Nil (2016 – two trustees £223).

**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**9 Support costs**

	Support Costs £	Governance Costs £	2017 £	2016 £	Basis of allocation
Premises costs	26,434	-	26,434	21,901	Allocation on time
Office costs	68,932	-	68,932	64,262	Allocation on time
Staff related costs	19,916	-	19,916	55,096	Allocation on time
Finance costs	5,638	-	5,638	4,188	Allocation on time
Marketing	2,749	-	2,749	4,667	Allocation on time
Accountancy services	3,735	-	3,735	4,919	Allocation on time
Consultancy	68,017	-	68,017	51,464	Allocation on time
Legal and professional fee	23,556	-	23,556	27,805	Allocation on time
Sundry expenses	11,778	1,424	13,592	13,592	Allocation on time
Audit fees	-	7,080	7,080	5,400	Governance
Accountancy	-	-	-	-	Governance
Governance costs	-	1,491	1,491	1,427	Governance
	-----	-----	-----	-----	
	230,755	9,995	240,750	254,751	
	=====	=====	=====	=====	

**10 Tangible fixed assets**

	Land and buildings £	Fixtures fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2016	267,059	124,213	91,272
Additions	350,000	1,799	351,799
	-----	-----	-----
At 31 March 2017	617,059	126,012	743,071
	-----	-----	-----
<b>Depreciation and impairments</b>			
At 1 April 2016	59,964	1,914	151,878
Depreciation charged for the year	5,341	8,524	13,865
	-----	-----	-----
At 31 March 2017	557,095	25,573	577,327
	-----	-----	-----
Carrying amount			
At 31 March 2017	557,095	25,573	577,327
	=====	=====	=====
At 31 March 2016	207,095	32,299	239,394
	=====	=====	=====

**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**11 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	71,630	102,366
Amounts due from subsidiary undertakings	5,783	11,268
Taxation	61,444	0
Other debtors	12,073	32,083
Prepayments and accrued income	27,098	19,410
	-----	-----
	178,028	165,127
	=====	=====

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Secured bank loans	132,231	6,578
Other taxation and social security	12,110	9,016
Government grants	1,903	1,904
Trade creditors	29,159	18,781
Amount due to parent undertaking	19,611	38,584
Other creditors	826	2,887
Accruals and deferred income	41,621	156,766
	-----	-----
	237,461	234,516
	=====	=====

**13 Creditors: amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Loans and overdrafts	84,325	90,401
	=====	=====

**14 Loans and overdrafts**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans	216,556	96,979
	-----	-----
Payable within one year	132,231	6,578
Payable after one year	84,325	90,401
	=====	=====

The bank loans are secured on 9 Bradford Lane, Bradford, Laisterdyke, BD3 8LP, 11 Bradford Lane, Bradford, Laisterdyke, BD3 8LP and 22 Manor Row, Bradford, Low Moor, BD1 4QR. The bank loan of £90,586 is also secured by a debenture dated 30<sup>th</sup> September 2013.

**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**15 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:

	<b>Movement in funds</b>				
	<b>Balance at 1 April 2016</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfer between funds</b>	<b>Balance at 31 March 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Various funds	0	319,316	(59,316)	(260,000)	0
	-----	-----	-----	-----	-----
	0	319,316	(59,316)	(260,000)	0
	=====	=====	=====	=====	=====

**16 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:

	<b>Movement in funds</b>				
	<b>Balance at 1 April 2016</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfer between funds</b>	<b>Balance at 31 March 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed asset fund	141,432	0	(8,432)	260,000	393,000
	-----	-----	-----	-----	-----
	141,432	0	(8,432)	260,000	393,000
	=====	=====	=====	=====	=====

Funds have been transferred into a designated fixed asset fund to match the charity's investment in fixed assets net of bank finance.

**17 Analysis of net assets between funds**

	<b>Total £</b>
Fund balances at 31 March 2017 are represented by:	
Tangible fixed assets	577,327
Investments	1
Current assets/(liabilities)	(35,433)
Creditors: amount falling due after more than one year	(84,325)
	-----
	457,570
	=====



**BRADNET**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**18 Statement of Financial Activities – comparative note for the year ended 31 March 2016**

The prior year Statement of Financial Activities is shown below.

	Unrestricted funds £	Restricted funds £	Total 2016 £
Donations and legacies	0	103,136	103,136
Investments	90	0	90
Charitable activities	1,557,945	0	1,557,945
Other income	9,298	0	9,298
	-----	-----	-----
<b>Total income and endowments</b>	<b>1,567,333</b>	<b>103,136</b>	<b>1,670,469</b>
	-----	-----	-----
<b>Expenditure on:</b>			
Charitable activities	1,644,165	103,136	1,747,301
	-----	-----	-----
<b>Total resources expended</b>	<b>1,644,165</b>	<b>103,136</b>	<b>1,747,301</b>
	-----	-----	-----
Net (expenditure)/income for the year			
Net movement in funds	(76,832)	0	(76,832)
	-----	-----	-----
<b>Fund balances brought forward</b>	<b>461,831</b>	<b>0</b>	<b>461,831</b>
	-----	-----	-----
<b>Funds balances carried forward</b>	<b>384,999</b>	<b>0</b>	<b>384,999</b>
	=====	=====	=====

**19 Analysis by fund**

	Balance at 1 April 2016 £	Incoming resources £	Transfer between funds £	Resources expended £	Balance at 31 March 2017 £
<b>Designated Funds</b>					
Fixed asset fund	141,432	0	260,000	(8,432)	393,000
	-----	-----	-----	-----	-----
<b>General Funds</b>					
Unrestricted income fund	243,567	881,045	0	(1,060,042)	64,570
	-----	-----	----	-----	-----
<b>Restricted Funds</b>					
Bradford Metropolitan Council	0	59,316	0	(59,316)	0
Fixed asset fund	0	260,000	(260,000)	0	0
	-----	-----	-----	-----	-----
<b>Total restricted</b>	<b>0</b>	<b>319,316</b>	<b>(260,000)</b>	<b>(59,316)</b>	<b>0</b>
	-----	-----	-----	-----	-----
<b>Total funds</b>	<b>384,999</b>	<b>1,200,361</b>	<b>0</b>	<b>(1,127,790)</b>	<b>457,570</b>
	=====	=====	=====	=====	=====

Restricted income represents a grant for the purchase of Manor Row, Subsequently transferred to a designated fund on purchase of the property.