

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**



Caladine

Chartered Certified Accountants

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mr C Regan	(Appointed 31 March 2016)
	Ms D Collins	(Appointed 31 March 2016)
	Ms J Wright	(Appointed 31 March 2016)
	Miss D E Shearing	(Appointed 31 March 2016)
	Mr J West	(Appointed 31 March 2016)
Charity number	1166307	
Principal address	Blackfen Community Library 7-9 Blackfen Parade Blackfen DA15 9LU	
Independent examiner	John Caladine FCCA CTA FCIE Caladine Ltd Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	Lloyds Bank plc Butler Place Chelmsford Essex CM1 1JS	

NEW GENERATION COMMUNITY TRUST BLACKFEN COMMUNITY LIBRARY CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Statement of financial position	6
Notes to the accounts	7 - 14

NEW GENERATION COMMUNITY TRUST BLACKFEN COMMUNITY LIBRARY TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2017

The trustees present their report and accounts for the period ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are:

1) To advance education through the provision of a public library and to provide facilities in the interests of social welfare for recreation and leisure-time occupation with the object of improving the condition of life for these inhabitants.

2) To relieve those in need in the London borough of Bexley and its surrounding neighbourhood, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

Public benefit

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

Achievements and performance

The Charity successfully tendered for and signed an agreement with the London Borough of Bexley for the community management of the Blackfen Community Library 13th April 2016. The Library premises was closed for 2 weeks of refurbishment and opened for its first day of business on 25th April 2016. The Library was opened with a soft start and then a 'launch' party with Special guest CBeebies Cerrie Burnell on 17th September.

Over the course of the year the Council provided ongoing support to the Charity in setting up the premises, transferring necessary grants, assets and service contracts, and helping organise on-going contracts for maintenance of the property.

The library is established now and provides a comprehensive and efficient library service. Key policies required for the Council were agreed by trustees and were put in place and these are kept under review. This includes Health and Safety, Safeguarding and Data Protection policies.

The Library was managed by a small management team and employed a paid Library Manager and Café Manager / Community worker. The team launched and ran regular community groups and events in the Library including:

- Story and rhyme times for pre-school children
- Scrabble club
- Stitch and craft club
- The reading group
- The Summer 2016 Reading Challenge
- IT Buddy

We participated in craft and story times that were national events such as National book week and Borough wide library events.

We have had many groups use the library to signpost to their services and held regular local MP and Community Police surgeries.

The Charity reported its performance to the Council at quarterly meetings to review performance data and service delivery. The management team prepared these reports for the Council and for trustees.

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
TRUSTEES' REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 MARCH 2017

Financial review

The unrestricted funds showed a deficit for the year of £11,991 leaving unrestricted funds of £(11,991) at the year end.

Reserves policy

It has been difficult to establish a reserves policy and to maintain sufficient reserves over the last year owing to delays in the Council's payments of grant funds for the charity's operations, and delays in establishing bank accounts and authorities for spending funds in the early days of implementing the Library. The New Generation Church Trust has regularly helped manage the Library cash flow and paid for on-going bills until the issues with Council grant payment processes and banking processes had been established (not until well into the following financial year). As a result trustees made significant process changes and improvements to the financial arrangements of the charity that will be captured in the following year's report.

Any reserves at the end of the financial year will be allocated to pay back monies to New Generation Church Trust and to provide a strategic reserve for the enhancement of the library facilities for the community with agreement from the trustees. The Trust will expect that a reserve of 10 to 15 percent of income should ideally be budgeted for a contingency.

Risk assessment

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a Charitable Incorporated Organisation governed by a constitution dated 31 March 2016, registered with the Charity Commission in England and Wales, registration number 1166307.

The trustees who served during the period were:

Mr C Regan	(Appointed 31 March 2016)
Ms D Collins	(Appointed 31 March 2016)
Ms J Wright	(Appointed 31 March 2016)
Miss D E Shearing	(Appointed 31 March 2016)
Mr J West	(Appointed 31 March 2016)

Trustees were appointed by the New Generation Church Trust who began the work to establish the New Generation Community Trust. The trustees have responsibility for the proper management and administration of the Charity.

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
TRUSTEES' REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 MARCH 2017

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.


Miss D E Shearing

Trustee

Dated: 26/01/18

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
INDEPENDENT EXAMINER'S REPORT**

TO THE TRUSTEES OF NEW GENERATION COMMUNITY TRUST

I report to the trustees on my examination of the accounts of New Generation Community Trust ('the CIO') for the period ended 31 March 2017, which are set out on pages 5 to 14.

Responsibilities and basis of report

As the charity's trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the CIO's accounts carried out under section 145 of the Act. In carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared accounts in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has not been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept as required by section 130 of the Act; or
- 2 the accounts do not accord with those records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



John Caladine FCCA CTA FCIE

Caladine Ltd
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated: 20 January 2018

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2017**

	Notes	2017 £
<u>Income from:</u>		
Donations and legacies	3	55,607
Charitable activities	4	621
Other trading activities	5	8,232
Total income		64,460
<u>Expenditure on:</u>		
Raising funds	6	13,661
Charitable activities	7	62,790
Total resources expended		76,451
Net expenditure for the year/ Net movement in funds		(11,991)
Fund balances at 31 March 2016		-
Fund balances at 31 March 2017		(11,991)

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

All income and expenditure derive from continuing activities.

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Notes	2017 £	£
Fixed assets			
Property, plant and equipment	11		6,239
Current assets			
Trade and other receivables	12	1,308	
Cash at bank and in hand		523	
		<u>1,831</u>	
Current liabilities	13	(20,061)	
Net current liabilities			(18,230)
Total assets less current liabilities			<u>(11,991)</u>
Income funds			
Unrestricted funds			(11,991)
			<u>(11,991)</u>

The accounts were approved by the Trustees on

26/01/18

Mr C Regan
Trustee

Miss D E Shearing
Trustee

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017**

1 Accounting policies

Charity information

New Generation Community Trust is a Charitable Incorporated Organisation governed by its constitution. The charity's principal address is Blackfen Community Library, 7-9 Blackfen Parade, Blackfen, DA15 9LU.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

The accounts have been supported financially during the first 12 months by the New Generation Church Trust (NGCT). The Trustees of NGCT have confirmed their ongoing support for the accounts until such time as cash flow permits the repayment of monies owed.

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017**

1 Accounting policies (Continued)

Revenue 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 Expenditure

Liabilities are recognised when a constructive obligation exists, the payment is probable and the obligation can be measured or estimated reliably.

Resources expended are allocated to the particular cost centre to which they relate and include irrecoverable VAT.

1.6 Property, plant and equipment

Property, plant and equipment 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:

Furniture, equipment and software	25% straight line
-----------------------------------	-------------------

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

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

1.8 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. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017**

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

3 Donations and legacies

	2017
	£
Donations and gifts	268
Grants received	55,339
	<u>55,607</u>

4 Charitable activities

	2017
	£
Sale of books	51
Venue hire	570
	<u>621</u>

5 Other trading activities

	2017
	£
Café income	8,232
	<u>8,232</u>

NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

6 Raising funds

	2017
	£
<u>Fundraising and publicity</u>	
Advertising	2,053
<u>Trading costs</u>	
Cafe consumables	6,471
Cafe equipment	2,666
Cafe equipment leasing	1,888
Depreciation and impairment	583
Trading costs	11,608
Total raising funds	13,661

7 Charitable activities

	2017
	£
Staff costs	27,067
Depreciation and impairment	1,497
Printing and stationery	1,609
Groups and activities	676
Resources	3,652
Library repairs and maintenance	13,155
	47,656
Share of support costs (see note 8)	13,934
Share of governance costs (see note 8)	1,200
	62,790
Analysis by fund	
Unrestricted funds	62,790

NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

8 Support and governance costs

	Support costs	Governance costs	Total 2017
	£	£	£
Business rates	3,219	-	3,219
Insurance	871	-	871
IT and telephone	9,550	-	9,550
Card machine	294	-	294
Accountancy	-	1,200	1,200
	<u>13,934</u>	<u>1,200</u>	<u>15,134</u>
<u>Analysed between</u>			
Charitable activities	<u>13,934</u>	<u>1,200</u>	<u>15,134</u>

Governance costs includes payments to the accountants of £400 for Independent Examination fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

10 Employees

Number of employees

The average monthly number employees during the period was:

	2017 Number
	<u>3</u>
Employment costs	2017 £
Wages and salaries	<u>27,067</u>

NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017

11	Property, plant and equipment	Furniture, equipment and software
		£
	Cost	
	Additions	8,319
	At 31 March 2017	8,319
	Depreciation and impairment	
	Depreciation charged in the period	2,080
	At 31 March 2017	2,080
	Carrying amount	
	At 31 March 2017	6,239
12	Trade and other receivables	
		2017
	Amounts falling due within one year:	£
	Prepayments and accrued income	1,308
13	Current liabilities	
		2017
		£
	Other payables	18,861
	Accruals and deferred income	1,200
		20,061
14	Operating lease commitments	
	At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	
		2017
		£
	Within one year	3,964
	Between two and five years	9,647
		13,611

**NEW GENERATION COMMUNITY TRUST
BLACKFEN COMMUNITY LIBRARY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2017**

15 Related party transactions

On 31 March 2016 New Generation Community Trust was formed by New Generation Church Trust (Charity Registration Number 1114139) as the legal entity which would take over the running of Blackfen Library. There is one common Trustee.

During the first year of operation the financial transactions of NG Community Trust formed part of the records of NG Church Trust as there were issues opening a bank account for the newly established Charitable Incorporated Organisation. In addition, the Church financially supported the Community Trust.

As at the balance sheet date, NG Community Trust owed the Church £18,861.