

Black Country Wheels School

“Wheels, putting young people first”

<http://www.bcwschool.co.uk>



Trustees' Annual Report for the Year Ending 30 June 2017

The Trustees of Black Country Wheels present their annual report and audited accounts for the year ended 30 June 2017 and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

Our Aims

We aim to provide an Alternative Educational Offer within the surrounding areas for young people aged between 14 – 16 years old.

Our Objectives

To act as a resource for young people, within the West Midlands and surrounding areas, by providing advice and assistance and organizing programmes of physical, educational and other activities as a means of:

- Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
- Advancing educational opportunities.
- Relieving unemployment.
- Providing recreational and leisure time activity in the interests of social welfare for young people who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such young people.

Review of Activities and Achievements

Pupil numbers and income continually fluctuate due to the nature of the commissions by the Local Authority and Secondary Schools who send Day Students. Currently, Local Authority Student Places stands at 30 with a £16200.00 per student fee and provision for 6 SEND places at £16200.00 each if taken, paid over a 11 month period. Day Student Places are charged at £60.00 per day.

The School has the physical capacity to expand student numbers but is restricted by fiscal considerations.

Academic

There has been a considerable improvement in the curriculum offer over the period. More ASDAN Short Courses of Study and Accreditation have been introduced to widen the curriculum offer.

Functional Skills and Vocational Studies remain the core of the curriculum and numbers participating are relatively stable considering the economic situation of School funding for Day Students.

This is evidenced in the following table on Page 2 and 3 with the current year highlighted in yellow. The overall trend is positive, however, the IMI results reflect a predicted drop in outcomes due to the cohort's practical abilities and subject interest.

Date	Award	Total No. of Students	Pass Rate	%
June 2014	IMI Level 1 Award	6	6/6	100
June 2015		9	8/9	89
June 2016		10	10/10	100
June 2017	(*Whole Cohort was entered. Two completed the course.)	10*	2/10	20
June 2014	IMI Level 1 Diploma	11	11/11	100
June 2015		13	13/13	100
June 2016		3	3/3	100
June 2017	(*Whole Cohort was entered. None completed the course.)	10*	0/10	0
June 2014	C&G Level 1 Basic Construction	11	10/11	91
June 2015	BTEC Level 1 Certificate in Construction	10	9/10	90
June 2016		9	9/9	100
June 2017		4	4/4	100
June 2014	C&G Level 1 Introduction to Hair and Beauty	7	6/7	86
June 2015	C&G Level 2 Certificate in Hair Services	3	2/3	66
June 2016		2	2/2	100
June 2017	No Students applied for this Course 2017	Course Discontinued		
June 2014	FS Level 1 English	16	14/16	87.5
June 2015		19	19/19	100
June 2016		21	20/21	95
June 2017		17	17/17	100
June 2014	FS Level 1 Maths	15	15/15	100
June 2015		19	19/19	100
June 2016		20	20/20	100
June 2017		17	17/17	100
June 2014	FS Level 2 English	1	1/1	100
June 2015		3	2/3	66
June 2016		14	9/14	64
June 2017		14	10/14	71
June 2014	FS Level 2 Maths	2	1/2	50
June 2015		7	7/7	100
June 2016		13	13/13	100
June 2017		11	9/11	82
June 2014	ASDAN History Short Course (6 Credits)	Not Introduced		
June 2015		14	14/14	100
June 2016		20	20/20	100
June 2017		8	8/8	100
June 2014	ASDAN PSHE Short Course (6 Credits)	7	7/7	100
June 2015		14	14/14	100
June 2016		22	22/22	100
June 2017		15	15/15	100
June 2014	ASDAN Citizenship Short Course (6 Credits)	7	7/7	100
June 2015		14	14/14	100

June 2016		20	20/20	100
June 2017		14	14/14	100
June 2016	ASDAN Land Based Science (New Course)	19	19/19	100
June 2017		6	6/6	100
June 2016	ASDAN Foodwise (Pilot - New Course)	1	1/1	100
June 2017	No Students Applied for this Course 2017	No Entries		

To further improve pupils' outcomes it is evident that the School must:

- Continue with the evaluation of our curriculum offer, lesson planning and ILPs.
- Continue to support English and Maths GCSE examination routes for dual registered students where appropriate.
- Maintain and develop alternative accreditation routes for full time students to be rewarded for their work.
- Offer a consistent quality of tuition in academic studies by all staff.
- Continue to provide Tutors with Professional Development regarding their Teaching and Learning strategies and maintain a robust framework of Assessment that accurately reflects areas for individual development and target setting.

Community Work

Students continue to raise funds for various charitable organisations. This year support has again been given to Macmillan Cancer Support (£345 was raised).

There has been another Social Enterprise Activity that has produced Flower Planters and Garden Furniture and these now are in situ around the school site to soften the fenced areas. This work will continue next year and the pre-planted boxes be offered to other companies who share the Trading Estate.

Following a History study and with the permission of the Church, students decided to help honour those who gave their lives in the World Wars, by cleaning grave stones and tidying the public areas surrounding them. This was a valuable community effort greatly appreciated by the Church.

Future Plans

The School Improvement Plan 2015 – 2018 is continuing with many of the success criteria being met. The Trustees have praised the work of all stakeholders in achieving this. The four main priorities are shown below.

1. Black Country Wheels School will continue to develop the physical nature of the school to enable students to benefit from a sustainable curriculum offer, in a safe, suitable environment for the delivery of both academic and vocational practical courses.
2. The development of the curriculum will ensure that students benefit from a broad and diverse range of studies, preparing them for the opportunities, responsibilities and experiences of later life in modern Britain. The curriculum will actively promote all fundamental British values. The school will place emphasis upon the effective assessment of progress in both literacy and numeracy across all subjects and expand accreditation routes for students.
3. Linked with evaluating and monitoring student progress, the school will continue to help students into further education, training and employment. Promoting community networking and business links, the school will work with all stakeholders to ensure positive post – 16 outcomes for all students.

4. Black Country Wheels School will develop staff expertise, by recruitment where necessary, and continue to promote Professional Development to ensure the planning and delivery of the curriculum is successful and accessible by all students to prepare them for life in modern day Britain.

Discussions continue to take place to extend the Local Offer insomuch as to provide an Alternative Programme for 16-19 year olds to help combat the NEET problem (Not in Education, Employment or Training). It is an opportunity for the School to increase its impact on the lives of young people who find it difficult to access mainstream colleges. The major difficulty to overcome remains the access to sustainable funding routes to enable not only the setup costs, but the employment of well-trained staff to deliver the qualifications. The school will continue to investigate.

Our Finances

The financial statements show the Income as £475182 and Expenditure as £440134 This gives a balance of £35048. The Trustees are very cognizant of the fact that this year, with growing expenses due to Rent increases, utilities and other costs, the School has had a hard task to remain viable and solvent. As part of future financial planning, negotiations with the LA were opened in 2015 as 100% of the income of the School arises from Local Authority Commissions (including Day Student places). A new costing structure was presented to the Local Authority for 2016 but it was not accepted and funding remained the same. New negotiations are underway with the LA and with much more positive feedback. A revised funding structure is to be ratified but we have been advised that it will not become effective at least until the new academic year, September 2017.

We are subject to the general malaise in Educational Funding as our Day Student numbers have fallen dramatically and further reduced our income this year.

It should be noted that the School does benefit from 100% reduction in Business Rates on the property we use for our charitable purposes. However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the National Insurance Contributions we make.

The substantial benefits our School makes to the lives and prospects of the young people in our care, their families and the local community is something we are proud of and is without cost to the Exchequer.

Financial Health

As stated, an increase in revenue is required for the School to maintain its provision for the young people it serves. The Trustees have due regard for the current financial situation and funds held by the School. There is an immediate concern that, unless the LA funding issue is successfully addressed, the School faces an uncertain future.

The impact of Work Place Pensions was considered by the Trustees. The School has funded this legal requirement.

Notwithstanding the above, the closing value of our tangible assets, property, plant and equipment stands at £25250.

The number of student places allocated by the DfE is a maximum of 100 for the School. The school currently operates at under 40% capacity. There is, therefore, sufficient room for expansion and the ability to increase income.

Reserves Policy

The Trustees are cognizant that Local Authority funding is crucial for the solvency of the School and should this be withdrawn, then closure would swiftly follow.

It has been decided that Reserves of approximately £180,000 (40%) of this funding should be held to off-set any such situation. These funds would allow the School to maintain teaching staff in post for the short term whilst alternative funding is sourced. This Reserve will allow the School to provide education for those students remaining on roll and continue to operate.

Developments and Maintenance

The internal re-structuring of the building continues and classrooms have been refurbished at a cost of approximately £4366. This spending falls within the projected costs and benefits all students of the School.

Ethos, Strategy and Policies

The Ethos of the School remains constant:

To provide each young person with a positive experience of education within a curriculum framework that is based on nurturing individual talents and providing opportunities for personal development. This enables students to be self-aware and to learn the skills that will help them manage their work, their lives and their relationships in the future. Central to this is the school's aim to actively promote fundamental British values and inclusion, supported by social, educational and vocational networks. The school is committed to safeguarding young people in its care and all staff share this responsibility equally.

The School Improvement Plan is active, in line with the key priorities stated and enjoys full Trustee approval.

Trustees ensure that this is followed by regular contact with the School and the Senior Leadership Team. The School website contains detailed information, advice and guidance relating to Policies and may be accessed via:

www.bcwschool.co.uk

Governance

Trustees give of their time freely and without cost to the School. No expenses were paid to Trustees during the last year. Trustees accept that they have overall responsibility for the management of the School albeit with the input of the Proprietor and Business Manager being highly regarded.

The day to day running of the School remains the remit of the Proprietor and her Senior Leadership Team, whilst the Trustees ensure the overarching ethos of the School is maintained.

Recruitment and Remuneration

The Proprietor, assisted by her Senior Leadership Team, oversees the recruitment of all staff and determines the salary paid to each staff member. Whilst the Trustees delegate this responsibility to the Proprietor, the Chair monitors all such appointments and costings.

Risk Management

A SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis is critically reviewed every Term and shared with Trustees. A more detailed analysis is reviewed annually that includes Student Welfare, Health and Safety, Financial Sustainability and Community Awareness Issues.

A Critical Incident Management Policy is also available for guidance and is reviewed annually.

The Trustees are satisfied that major risks have been identified and risks have been adequately mitigated by the School. It is accepted that such systems can only provide reasonable but not absolute assurance that risks have been well managed.

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Charity Trustees

Mr Mitchell Bellis
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B63 2ND

Mr Justin Thomas
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West Midlands
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Alexandra Pejovic
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Phillip Totney
2 Ankadine Road
Stourbridge
DY8 4UG

Proprietor/Headteacher: Jan Lear

Contact Details:

Black Country Wheels, Unit 3/4 Gainsborough Trading Estate, Rufford Road, Stourbridge, West Midlands, DY9 7ND

Website: www.bcwschool.co.uk

Charity No. 1157795

Professional Advisors:

Bankers: Barclays Bank, 27 Queensway, Halesowen B63 4AE

Accountants: Sandwell Accountancy Services, 30 Upper High St, Cradley Heath B64 5HY

Insurances: KGJ Insurance Brokers (Stourbridge) Ltd, 2 Hagley Rd, Stourbridge DY8 1QG

Company registration number: 06608327

Charity registration number: 1157795

Black Country Wheels Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2017

Sandwell Accountancy Services Ltd
Certified Public Accountants
Old Bank Buildings
Upper High Street
Cradley Heath
West Midlands
B64 5HY

Black Country Wheels Limited

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Black Country Wheels Limited

Reference and Administrative Details

Trustees	Mr M Hanson (resigned 1 July 2016) Ms A Pejovic (appointed 2 September 2016) Mr P J Totney (appointed 2 September 2016) Mr M Bellis Mr R J Thomas
Senior Management Team	Mrs J Lear, Head Teacher Mrs C Dulson, School Business Manager Mr R Brown, Education Consultant
Principal Office	Gainsborough Trading Estate Rufford Road Stourbridge West Midlands DY9 7ND
Registered Office	Old Bank Buildings Upper High Street Cradley Heath West Midlands B64 5HY The charity is incorporated in England.
Company Registration Number	06608327
Charity Registration Number	1157795
Independent Examiner	Sandwell Accountancy Services Ltd Certified Public Accountants Old Bank Buildings Upper High Street Cradley Heath West Midlands B64 5HY

Black Country Wheels Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 June 2017.

Objectives and activities

Objects and aims

To act as a resource for young people, within the West Midlands and surrounding areas, by providing advice and assistance and organizing programmes of physical, educational and other activities as a means of:

- Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.
- Advancing educational opportunities.
- Relieving unemployment.
- Providing recreational and leisure time activity in the interests of social welfare for young people who have need by reason of their age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such young people.

We aim to provide an Alternative Educational Offer within the surrounding areas for young people aged between 14 – 16 years old.

A full Trustees Report is available as a PDF from the Charities Commission website

Public benefit

Students continue to raise funds for various charitable organisations. This year support has again been given to Macmillan Cancer Support (£345 was raised).

There has been another Social Enterprise Activity that has produced Flower Planters and Garden Furniture and these now are in situ around the school site to soften the fenced areas. This work will continue next year and the pre-planted boxes be offered to other companies who share the Trading Estate.

Following a History study and with the permission of the Church, students decided to help honour those who gave their lives in the World Wars, by cleaning grave stones and tidying the public areas surrounding them. This was a valuable community effort greatly appreciated by the Church.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Structure, governance and management

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Black Country Wheels Limited

Trustees' Report

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 22-3-15 and signed on its behalf by:



.....
Mr M Bellis
Trustee

Black Country Wheels Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Black Country Wheels Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 22-3-15 and signed on its behalf by:



.....
Mr M Bellis
Trustee

Black Country Wheels Limited

Independent Examiner's Report to the trustees of Black Country Wheels Limited

I report on the accounts of the charity for the year ended 30 June 2017 which are set out on pages 6 to 17.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Association of Certified Public Accountants.

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

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

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

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Sandwell Accountancy Services Ltd
Sandwell Accountancy Services Limited
Certified Public Accountants

Old Bank Buildings
Upper High Street
Cradley Heath
West Midlands
B64 5HY

Date: 27-3-18

Black Country Wheels Limited

Statement of Financial Activities for the Year Ended 30 June 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2017 £
Income and Endowments from:			
Donations and legacies	3	3,409	3,409
Charitable activities	4	<u>471,773</u>	<u>471,773</u>
Total Income		<u>475,182</u>	<u>475,182</u>
Expenditure on:			
Charitable activities	5	<u>(440,134)</u>	<u>(440,134)</u>
Total Expenditure		<u>(440,134)</u>	<u>(440,134)</u>
Net income		<u>35,048</u>	<u>35,048</u>
Net movement in funds		35,048	35,048
Reconciliation of funds			
Total funds brought forward		<u>148,235</u>	<u>148,235</u>
Total funds carried forward	15	<u><u>183,283</u></u>	<u><u>183,283</u></u>
	Note	Unrestricted funds £	Total 2016 £
Income and Endowments from:			
Donations and legacies	3	5,476	5,476
Charitable activities	4	<u>506,010</u>	<u>506,010</u>
Total Income		<u>511,486</u>	<u>511,486</u>
Expenditure on:			
Charitable activities	5	<u>(514,843)</u>	<u>(514,843)</u>
Total Expenditure		<u>(514,843)</u>	<u>(514,843)</u>
Net expenditure		<u>(3,357)</u>	<u>(3,357)</u>
Net movement in funds		(3,357)	(3,357)
Reconciliation of funds			
Total funds brought forward		<u>151,592</u>	<u>151,592</u>
Total funds carried forward	15	<u><u>148,235</u></u>	<u><u>148,235</u></u>

All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2016 is shown in note 15.

Black Country Wheels Limited
(Registration number: 06608327)
Balance Sheet as at 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	25,250	29,656
Current assets			
Debtors	11	6,553	5,286
Cash at bank and in hand		<u>155,513</u>	<u>118,381</u>
		162,066	123,667
Creditors: Amounts falling due within one year	12	<u>(4,033)</u>	<u>(2,588)</u>
Net current assets		<u>158,033</u>	<u>121,079</u>
Total assets less current liabilities		183,283	150,735
Creditors: Amounts falling due after more than one year	13	<u>-</u>	<u>(2,500)</u>
Net assets		<u>183,283</u>	<u>148,235</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>183,283</u>	<u>148,235</u>
Total funds	15	<u>183,283</u>	<u>148,235</u>


For the financial year ending 30 June 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 6 to 17 were approved by the trustees, and authorised for issue on 22.3.18 and signed on their behalf by:



 Mr M Bellis
 Trustee

Black Country Wheels Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Black Country Wheels Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Black Country Wheels Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Gifts in kind

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	20% Reducing balance basis
Office equipment	20% Reducing balance basis
Motor vehicles	20% Reducing balance basis
Plant and machinery	20% Reducing balance basis

Black Country Wheels Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Black Country Wheels Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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Notes to the Financial Statements for the Year Ended 30 June 2017

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

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Notes to the Financial Statements for the Year Ended 30 June 2017

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Donations and legacies;			
Donations from individuals	3,209	3,209	5,476
Gifts in kind	200	200	-
	3,409	3,409	5,476

4 Income from charitable activities

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Running of educational scheme	471,773	471,773	506,010

5 Expenditure on charitable activities

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Running of educational scheme	19,968	19,968	26,245
Governance costs	420,166	420,166	488,598
	440,134	440,134	514,843

Black Country Wheels Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

	Activity undertaken directly £	Total 2017 £	Total 2016 £
Running of educational scheme	19,968	19,968	514,843

£440,134 (2016 - £514,843) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £Nil) to restricted funds.

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

7 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	183,767	233,431
Pension costs	327	-
Other staff costs	37,220	47,249
	221,314	280,680

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2017 No	2016 No
Employees	14	12

6 (2016 - 0) of the above employees participated in the Defined Contribution Pension Schemes.

No employee received emoluments of more than £60,000 during the year.

8 Independent examiner's remuneration

	2017 £	2016 £
Other fees to examiners		
The examining of accounts of any associate of the charity	4,303	3,399

Black Country Wheels Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Plant and machinery £	Total £
Cost					
At 1 July 2016	-	18,400	10,362	36,872	65,634
Additions	300	3,200	-	160	3,660
Disposals	-	(6,900)	-	-	(6,900)
At 30 June 2017	<u>300</u>	<u>14,700</u>	<u>10,362</u>	<u>37,032</u>	<u>62,394</u>
Depreciation					
At 1 July 2016	-	15,410	4,043	16,525	35,978
Charge for the year	60	1,024	1,263	4,102	6,449
Eliminated on disposals	-	(5,283)	-	-	(5,283)
At 30 June 2017	<u>60</u>	<u>11,151</u>	<u>5,306</u>	<u>20,627</u>	<u>37,144</u>
Net book value					
At 30 June 2017	<u>240</u>	<u>3,549</u>	<u>5,056</u>	<u>16,405</u>	<u>25,250</u>
At 30 June 2016	<u>-</u>	<u>2,990</u>	<u>6,319</u>	<u>20,347</u>	<u>29,656</u>

11 Debtors

	2017 £	2016 £
Trade debtors	<u>6,553</u>	<u>5,286</u>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,706	-
Other taxation and social security	(1,574)	-
Other creditors	110	-
Accruals	<u>2,791</u>	<u>2,588</u>
	<u>4,033</u>	<u>2,588</u>

Black Country Wheels Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

13 Creditors: amounts falling due after one year

	2017 £	2016 £
Other loans	-	2,500

14 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £327 (2016 - £Nil).

15 Funds

	Balance at 1 July 2016 £	Incoming resources £	Resources expended £	Balance at 30 June 2017 £
Unrestricted funds				
General	<u>(148,235)</u>	<u>(475,182)</u>	<u>440,134</u>	<u>(183,283)</u>

	Balance at 1 July 2015 £	Incoming resources £	Resources expended £	Balance at 30 June 2016 £
Unrestricted funds				
General	<u>(151,592)</u>	<u>(511,486)</u>	<u>514,843</u>	<u>(148,235)</u>

16 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	25,250	25,250
Current assets	162,066	162,066
Current liabilities	<u>(4,033)</u>	<u>(4,033)</u>
Total net assets	<u>183,283</u>	<u>183,283</u>

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Notes to the Financial Statements for the Year Ended 30 June 2017

17 Analysis of net funds

	At 1 July 2016 £	Cash flow £	At 30 June 2017 £
Cash at bank and in hand	118,381	37,132	155,513
Net debt	<u>118,381</u>	<u>37,132</u>	<u>155,513</u>