

Company registration number 02081759
Charity Number 0296372

HOUNSLOW ACTION FOR YOUTH ASSOCIATION

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

31 MARCH 2018

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

CONTENTS	Page
Members of the Board and professional advisers	1
Trustees Annual Report	2
Independent auditor's report to the members	7
Statement of Financial Activities (incorporating the income and expenditure account)	10
Balance Sheet	11
Notes to the Financial Statements	12

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018**

Registered charity name	Hounslow Action for Youth Association
Charity number	0296372
Company registration number	02081759
Principal office	Hanworth Centre 64 Hounslow Road Hanworth Middlesex TW13 6QQ
Registered office	Oakleigh House High Street Hartley Wintney Hook RG27 8PE
Trustees	C Da Silva A Finlay T Kumar C Martin N Matthews A Sachar J Smith S Virji
Centre director	D Hughes
Auditor	Wilkins Kennedy Audit Services Statutory Auditor Mount Manor House 16 The Mount Guildford Surrey GU2 4HN

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The trustees who served the company during the period were as follows:

C Da Silva (appointed 5 February 2018)
A Finlay (appointed 24 April 2017)
M Hopper (resigned on 31 December 2017)
T Jagev (appointed 10 July 2017, resigned 27 November 2017)
T Kumar (appointed 5 February 2018)
C Martin
N Matthews
A Sachar
J Smith
D Stacey (resigned on 9 October 2017)
S Virji (appointed 5 February 2018)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document and constitution of the charity

The charity is a company limited by guarantee and not having a share capital. It is incorporated under the Companies Act 1985, the governing instrument being the Memorandum and Articles of Association dated 3 September 1986 (updated on 25 July 2016).

The methods adopted for the recruitment and appointment of new trustees

New trustees are typically recommended to the charity through personal introductions. However, this year we have continued to put adverts out locally and on social media to increase the reach. Potential trustees are considered by the Nominations Committee for their relevant experience that will widen or support the balance of skills of the existing trustees.

The policies and procedures adopted for the induction and training of trustees

New trustees are inducted through meetings with the Chairman, Trustees and Centre Director, plus a visit to the Hanworth Centre and meetings with senior managers.

The organisational structure of the charity and how decisions are made

The Board meets at least six times per annum and these meetings are attended by the Centre Director. It delegates to, and receives reports from the two sub-committees – Finance and Employment, and Nominations. The Centre Director is accountable to the Trustees, and reports to the Chairman and Deputy Chairman; however, for operational reasons, she is a London Borough of Hounslow (LBH) employee whose costs are fully reimbursed by the charity. As such she also reports to the Head of Early Intervention at LBH.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

The major risks to which the charity is exposed, and reviews and systems to mitigate risks

The charity maintains a risk register which contains the significant risks and the identified steps that can be taken to mitigate these risks. This is reviewed annually by the trustees.

OBJECTIVES AND ACTIVITIES

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

A summary of the objects of the charity as set out in its governing document

In the interests of social rehabilitation and in furtherance of public education to promote and develop in collaboration with other bodies and organisations within the LBH new initiatives for children and young people in trouble with particular, but not exclusive reference to the provision of alternatives to residential care and custody.

The charity's aims including the changes or differences it seeks to make through its activities including public benefit provided by the charity

The vision of the charity is to promote and develop programmes to meet the social, cultural and educational needs to children and young people within LBH, particularly those at risk of social exclusion, and show them possibilities that they might not have imagined. Within the safe environment of the Hanworth Centre, situated in one of the UK's poorest urban areas, and in collaboration with other bodies, HAY offers vulnerable young people opportunities to learn skills, develop confidence and make new friends.

An explanation of the charity's main objectives for the year

The trustees consider and update the charity's vision, philosophy and ethos, principles and objectives as part of their annual strategic reviews. Detailed objectives are regularly reviewed by the Chair and Deputy Chair with the Centre Director, who has responsibility for their implementation. These cover objectives for running the Hanworth Centre and its programmes including staffing, health and safety, community use, fundraising and development of new programmes. It has been a year of challenges that HAY has tried to meet head-on, but this has meant performing some difficult balancing acts. We have therefore had a year of refocusing our energies and our resources. There is no question that the entire third sector is facing straightened times, and HAY is no different. No doubt the year to come will pose a number of difficult challenges, particularly with further youth service cuts and an increasingly difficult financial environment across the country. It's at times like these that HAY calls most loudly on its strongest asset; our people. No matter the challenges we face, we pull together for one core belief: in our services, we offer opportunity.

An explanation of the charity's strategies for achieving its stated objectives

We use the Hanworth Centre and its programmes as the core operational base and seek to expand our reach from this base.

We maintain good relations with those grant-giving foundations that provide multi-year support. Staff and young people at the Hanworth Centre also raise funds for projects and activities they want to do.

We continued to evaluate our services and respond to the needs of young people and families this year. We thank the young people and families who have supported us in our evaluations by contributing to focus groups, consultations and surveys. Without their enthusiasm and responsiveness, we would not be able to address their needs and develop new dynamic opportunities. Young people's involvement in the design and delivery of our programmes will be more and more important given the challenging environment in which we work.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

As a result of our strategic plan we found Once Upon a Time to take over our Caterpillar Pre-School. This has breathed new life into the space and meant that an organisation with greater resources has been able to provide much-needed full day care and education for our local 2–5-year olds. One of our core requirements was that our home-bred staff were kept on. They are now flourishing, with greater opportunities for their own learning and development too.

Our Youth Bonds programme goes from strength to strength, seeing the programme at capacity supported in no small way by the Big Lottery and BBC Children in Need. We at HAY see this group of young people between 8–12 years old as the core drive behind youth programmes. This is the age at which young people start to make decisions, good or bad, that can impact on their whole future. Our allotment has flourished, and it is wonderful to be able to provide our young people with an area of nature and calm outside of the hustle and bustle of daily life.

We were beyond proud of our Young Women's Project's work with local volunteer artists, poets and authors supporting our work on building self-confidence and learning how to express oneself. This resulted in a launch at the House of Commons of the 'Inky Lemons' Anthology, a collection of stories and poems produced by the Young Women and dedicated volunteers. The incisiveness and expression evident in the anthology prove the maturity and self-development that the young women found through the inspiration of working with some truly astonishing women. We are extraordinarily grateful to Richard Skinner at Vanguard Editions, not just for his publishing expertise, but for leaving us with a tangible asset that we can sell to assist funding more young women through the Project.

Looking forward, we want to continue building excellent relationships with the community, our partners, staff, volunteers, families and young people. We want to continue helping young people realise their potential so that they have bright futures ahead of them. We want to continue sparking the aspirations of the community to develop and grow. Our plans for 2018/19 include reviewing HAY's offer, researching new models of provision, continuing our fundraising efforts and developing our programmes.

ACHIEVEMENTS AND PERFORMANCE

Details of significant activities (including its main programmes, projects or services provided) that contribute to the achievement of the stated objectives

The charity continues to review its programmes and the funding available for them. Unfortunately, two programmes had to be closed this year due to a lack of funding for them. The Centre provides facilities for a number of Community Groups, 'Stay and Play' activities for parents and children, dance classes and Yoga. In addition to these, HAY offers a Bee Keeping Project and Eco Therapy Allotment Project on the nearby South Road Allotment. The Hanworth Centre gives the Children and Young People a safe place to access high quality provision and support, six days a week. It continues to be a hub of the local community, offering positive support to children, young people and their families. The wide range of programmes bring together the younger and older from the local community as well as people from diverse groups and cultures. A key focus of its work is improving community cohesion and active citizenship, along with helping people to be independent and resilient.

We successfully secured Big Lottery Funding for our Youth Bonds Project which has continued to develop, and our teams have implemented the delivery of the Outcome Star Assessment tool, which allows us to track more accurately the needs and progress of young people. As a result, there has been a significant focus on promoting positive mental health and emotional well-being, a major requirement identified by the Outcome Star Assessment. The young people have been learning about different emotions, how to deal with them and identifying who is in their individual support network. They have worked on building self-esteem and self-confidence and have had the opportunity to talk during the session about how they are feeling.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

The Weekender continues to work in parallel with other HAY youth work services, including The Jam, Eco Therapy Allotment and holiday activities, in providing educational and leisure activities for young people aged 12-18 years. These activities are designed to divert young people away from crime and anti-social behaviour, improve their self-esteem and develop new skills.

We continue to build our relationships locally, working with youth agencies, business partners in our local community to achieve our goals. This support has also allowed us to continue to develop our pool of dedicated and highly trained volunteers. We have recruited 60 new volunteers this year and it's through their hard work and commitment that we have successfully continued to support our young people locally through a wide range of services

FINANCIAL REVIEW

The approved policy for Designated Reserves is at an amount equal to four months expenditure for programmes not covered by local authority funding and the charity's own costs. For the current and previous period this has been calculated at £90,000.

Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity

Funding for our activities during the year came from LBH in grants and benefits in kind (41.7%), grant giving foundations (54.4%), individual donation, community and user groups (3.0%) and investment income (0.9%).

Operating expenditure (which excludes amortisation of leasehold improvements) has been incurred in staff and programme costs paid from restricted funds raised for the purpose (71.7%), activities (8.1%), Hanworth Centre costs (9.2%) and charity expenditure from unrestricted reserves (11.0%). Balances remaining on restricted funds at the year-end are ring-fenced for use in future financial years.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

PLANS FOR FUTURE PERIODS

The charity plans to maintain all of its existing programmes within any potential funding constraints but bearing in mind its level of reserves. The charity will continue to review its programmes in the light of restrictions and reductions placed upon its budgets, as well as looking into developing further the range of activities away from the Hanworth Centre where funding is available.

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also the directors of Hounslow Action for Youth Association for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the income and expenditure of the company for that period.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018**

In preparing these financial statements, 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 accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- So far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the trustees

A handwritten signature in dark ink, consisting of a long horizontal stroke followed by a large, loopy flourish that loops back under the main stroke.

N Matthews
Chair

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HOUNSLOW ACTION FOR YOUTH ASSOCIATION
FOR THE YEAR ENDED 31 MARCH 2018**

Opinion

We have audited the financial statements of Hounslow Action for Youth Association (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HOUNSLOW ACTION FOR YOUTH ASSOCIATION
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HOUNSLOW ACTION FOR YOUTH ASSOCIATION
FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy Audit Services

Robert Southey (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
Mount Manor House
16 The Mount
Guildford
Surrey
GU2 4HN

19/09/18

Date

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

		2018		2017
		Unrestricted funds	Restricted funds	Total
		£	£	£
	Note			
INCOME FROM:				
Donations and legacies	2	6,300	468,484	474,784
Charitable activities	3	8,436	2,841	11,277
Investments	4	4,289	-	4,289
TOTAL INCOME		19,025	471,325	490,350
EXPENDITURE ON:				
Raising funds		(30,928)	-	(30,928)
Charitable activities	5	(23,239)	(567,179)	(590,418)
		(54,167)	(567,179)	(621,346)
Net gains in investments	10	1,748	-	1,748
NET EXPENDITURE		(33,394)	(95,854)	(129,248)
Transfers between funds		(57,626)	57,626	-
NET MOVEMENT IN FUNDS		(91,020)	(38,228)	(129,248)
RECONCILIATION OF FUNDS:				
Total funds brought forward		313,458	429,780	743,238
Total funds carried forward		222,438	391,552	613,990

The statement of Financial Activities includes all gains and losses in the year. All of the above amounts relate to continuing activities.

The notes on pages 12 to 21 form part of these financial statements

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET
31 MARCH 2018**

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	9	326,252	397,808
Investments	10	115,867	114,119
		<u>442,119</u>	<u>511,927</u>
CURRENT ASSETS			
Debtors	11	4,666	5,343
Cash at bank		320,118	283,495
		<u>324,784</u>	<u>288,838</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(152,913)	(57,527)
NET CURRENT ASSETS		<u>171,871</u>	<u>231,311</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>613,990</u>	<u>743,238</u>
NET ASSETS		<u>613,990</u>	<u>743,238</u>
CHARITY FUNDS			
Restricted funds	13	391,552	429,780
Unrestricted funds	13	222,438	313,458
TOTAL CHARITY FUNDS		<u>613,990</u>	<u>743,238</u>

Approved by the Trustees on 10 September 2018 and signed by;

N Matthews
Chairman

J Smith
Treasurer

Company Registration Number: 02081759
Charity Registration Number: 0296372

The notes on pages 12 to 21 form part of these financial statements

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES

General information and basis of preparation

Hounslow Action for Youth Association is a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The addresses of the registered office and principal place of business are given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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 (FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling (£) which is the functional currency of the charity.

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

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Cash flow exemption

The charitable company has taken advantage of the exemption to the requirements of Section 7 "Statement of Cash Flows" in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES (CONTINUED)

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives government grants in respect of projects aimed at vulnerable young people. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income includes dividends and interest. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the use by the charity of the item is probable that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102) the general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes direct costs incurred on fundraising initiatives;
- Expenditure on charitable activities includes all the direct costs incurred on expenditure on the objects of the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES (CONTINUED)

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold Property – over the remaining life of the lease

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation at the year end.

Trade and other debtors

Trade and other debtors are measured at present value of the future receipts.

Trade and other creditors

Trade and other creditors are measured at present value of the future payments.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

2. INCOME FROM DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations and gifts	6,300	60,871
Gift aid	-	668
General grants provided by government/other charities	468,484	388,358
	<hr/> 474,784	<hr/> 449,897

Income from donations and legacies was £474,784 (2017 - £449,897) of which £468,484 (2017 - £388,907) was attributable to restricted and £6,300 (2017 - £60,990) was attributable to unrestricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
Fundraising events	-	4,083
Room hire	8,234	8,614
Subscriptions	2,841	9,054
Other	202	230
	<hr/> 11,277	<hr/> 21,981

Income from charitable activities was £11,277 (2017 - £21,981) of which £8,436 (2017 - £9,054) was attributable to restricted funds and £2,841 (2017 - £12,927) was attributable to unrestricted funds.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

4. INCOME FROM INVESTMENTS

	2018 £	2017 £
Bank interest receivable	260	905
Dividend income	4,029	3,950
	<hr/> 4,289	<hr/> 4,855

Income from investments was £4,289 (2017 - £4,855) of which £4,289 (2017 - £4,855) was attributable to unrestricted funds.

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly £	2018 Total £	2017 Total £
Youth work	590,418	590,418	627,661
	<hr/> 590,418	<hr/> 590,418	<hr/> 627,661

£567,179 (2017 - £603,163) of the above costs were attributable to restricted funds. £23,239 (2017 - £24,498) of the above costs were attributable to unrestricted funds.

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

6. GOVERNANCE COSTS

	2018	2017
	£	£
Auditors' remuneration	2,600	2,500

7. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The trustees neither received nor waived any remuneration during the year (2017 - £nil).

The total amount of employee benefits received by key management personnel is £66,639 (2017 - £65,147). The Trust considers its key management personnel to be the trustees and the Centre Director (who is employed by London Borough of Hounslow).

Total reimbursement of expenditure received by the trustees during the year was £nil (2017 - £nil).

8. STAFF COSTS AND EMPLOYEE BENEFITS

The average monthly number of employees during the year was 21 (2017 – 25).

The total staff costs and employees benefit's was as follows:

	2018	2017
	£	£
Remuneration costs – directly employed		
Wages and salaries	184,507	230,493
Social security	10,415	12,934
Defined contribution pension costs	5,005	4,754
Remuneration costs – recharged from third parties	110,427	109,717
	310,354	357,898

No employee received remuneration of more than £60,000 during the year (2017 - none).

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

9. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	TOTAL £
COST:		
At 1 April 2017	1,351,225	1,351,225
Disposals	-	-
At 31 March 2018	1,351,225	1,351,225
DEPRECIATION:		
At 1 April 2017	953,417	953,417
Charge for year	71,556	71,556
Eliminated on disposal	-	-
At 31 March 2018	1,024,973	1,024,973
NET BOOK VALUE:		
At 31 March 2018	326,252	326,252
At 31 March 2017	397,808	397,808

10. FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	2018 £	2017 £
Market value brought forward at 1 April 2017	114,119	100,000
Net gain on revaluation	1,748	14,119
Market value as at 31 March 2018	115,867	114,119

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

11. DEBTORS

	2018 £	2017 £
Trade debtors	180	60
Prepayments and accrued income	4,486	5,283
	<u>4,666</u>	<u>5,343</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	104,860	28,782
Accruals and deferred income	48,053	28,745
	<u>152,913</u>	<u>57,527</u>

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

13. FUND RECONCILIATION

UNRESTRICTED FUNDS

	Balance at 1 April 2017	Income	Expenditure	Gain on revaluation	Transfer between funds	Balance at 31 March 2018
	£	£	£	£	£	£
Unrestricted funds	223,458	19,025	(54,167)	1,748	(57,626)	132,438
Designated fund	90,000	-	-	-	-	90,000
	313,458	19,025	(54,167)	1,748	(57,626)	222,438

RESTRICTED FUNDS

	Balance at 1 April 2017	Income	Expenditure	Gain on revaluation	Transfer between funds	Balance at 31 March 2018
	£	£	£	£	£	£
Restricted Funds	429,780	471,325	(567,179)	-	57,626	391,552
	429,780	471,325	(567,179)	-	57,626	391,552

**HOUNSLOW ACTION FOR YOUTH ASSOCIATION
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

13. FUND RECONCILIATION (continued)

FUND DESCRIPTIONS

Unrestricted funds

Unrestricted funds represent funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital expenditure.

Designated funds

Designated funds are an amount equal to four months expenditure for programmes not covered by local authority funding and the charity's own costs.

Restricted funds

Restricted funds have been provided to the charity for particular purposes and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	25,867	90,000	326,252	442,119
Current assets	281,274	-	43,510	324,784
Other current liabilities	(5,589)	-	(147,324)	(152,913)
Total	301,552	90,000	222,438	613,990

15. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £799 (2017 - £495). At the balance sheet date £363 (2017 - £302) was included in creditors.

16. RELATED PARTY TRANSACTIONS

There are no related party transactions during the period (2017 - £nil).