

Company no. 02542176
Charity no. 1000544

BS3 Community Development
Report and Audited Financial Statements
31 March 2019

BS3 Community Development

Reference and administrative details

For the year ended 31 March 2019

Company number 02542176

Charity number 1000544

Registered office and operational address
The Southville Centre
Beauley Road
Bristol
BS3 1QG

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Peter Bird
Malcolm Brammar
Jenny Brown
Mark Coates
Maria Forsythe (appointed 26 July 2018)
Catherine Hector
Sally Jaeckle (appointed 20 May 2019)
Alexander North (resigned 31 January 2019)
Celia Phipps
Zoe Rice
Matthew Symonds (resigned 31 May 2018)
Rosemary Tomlinson (appointed 26 July 2018)
Jill Walsh
Jessica Woodsford (appointed 5 October 2018)

Company secretary and chief executive officer Simon Derek Hankins

Bankers	Co-operative Bank PO Box 250 Delf House South Way Skelmersdale WN8 6WT	Lloyds Bank 284 Wells Road Bristol BS4 2PY	CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
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Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor, Mariner House
62 Prince Street
Bristol
BS1 4QD

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2019

CO- CHAIR STATEMENT

The opening of the Chessel Centre in 2017/18 was a significant expansion for the charity, bringing with it a considerable influx of additional staff to BS3 Community. To ensure that the exceptional quality of our services is maintained, our focus over the last year has been on integration and consolidation within the organisation, to ensure that our finances, structures, policies and procedures are sufficiently resilient to allow BS3 Community to continue its development over the coming years.

Our senior managers have participated in the Barclay's Bank 'Scale-Up' programme, a series of workshops delivered by the Cambridge University Judge Business School, examining approaches which might be taken to support the further development of our income-generating activities. This is directly helping us to develop a business case for the future scaling of our nursery provision as a means of stable, long-term income generation.

We have also received support from the Cranfield Trust, who have facilitated a strategic review and revision of BS3 Community's business plan. In addition to this, the Cranfield Trust is assisting us in carrying out a charity-wide job evaluation exercise. This will lead to the development of a robust organisational structure and salary scale for BS3 Community as a whole and facilitate the recruitment of appropriate people required to develop and support our current and future activities.

Alongside this process of consolidation, the enthusiasm of our staff, volunteers and trustees, along with a considerable investment of time and energy, ensures that we continue to play a leading role in community development within the BS3 postcode area, building connections with partner organisations to identify local needs and to develop services to meet them.

The trustees, working in partnership with the senior management team, seek to ensure that a robust and supportive organisational and financial infrastructure is in place to allow BS3 Community to take on opportunities as they arise, as well as seeking out opportunities to develop new services, new partnerships and new approaches to continue to make the BS3 area a great place to live, work and grow old.

Peter Bird and Jill Walsh
Co-Chairs
Date: 13 August 2019

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2019

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of BS3 Community Development (BS3 Community) (the company) for the year ended 31 March 2019. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. POLICIES AND OBJECTIVES

BS3 Community's charitable purpose, as laid out in our Articles of Association is, in summary, to serve the community within the geographic area of BS3, develop its social capital, improve the local environment and help ensure that the area is a great place to live and work in order to improve the health, wellbeing and happiness of our community.

b. PUBLIC BENEFIT

BS3 Community Development's main activities, and the individuals and groups we help, are described: The charitable company's activities focus on increasing impact in the local community; to advance education and to provide facilities in the interest of social welfare for recreation and leisure time occupation. The objective is to improve the conditions of life for the benefit of the inhabitants, and those working in or frequenting the neighbourhoods comprising the postal district BS3: we undertake activities to further our own charitable objects for the public benefit.

The trustees have had due regard to the Charity Commission's guidance on public benefit.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

We continue to provide a level of support and encouragement to many of the groups which we have historically helped start, most notably the South Bristol Arts Trail, the Greater Bedminster Front Garden Awards, Secret Gardens and Action Greater Bedminster. The vast majority have been successfully "spun-out" and are now independently constituted, with the confidence to self-manage, raise funds, defend and promote their causes.

We have continued to develop our community business using social enterprise principles with our social return being driven by our charitable purpose. Where practically possible, we continue to reduce our environmental impact, as demonstrated through our (third time around) retention of a Gold Award for Green Tourism.

We provide support to new and established local community groups and are in discussion with a number of them to provide encouragement and explore how we could, and do, provide practical support as they develop and evolve. During this year we have provided advice and support to local groups seeking to improve or develop local facilities and services.

BS3 Community Development

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For the year ended 31 March 2019

Since the Chessel Centre opened in December 2017, the nursery has been steadily filling and the community room increasingly used by local groups. The new centre has been very well received by local

people. It is wonderful that we have been able to provide much needed additional childcare for our community, as well as put back a level of community accessible space in an area that has lost much of its community facilities over the past few years.

BS3 Community employs over 80 people at the Southville and Chessel Centres and around 75% of paid staff, volunteers and trustees live within three miles of these locations, allowing them to walk, cycle or use public transport to travel to work. Around 52 local, self-employed people use the Southville and Chessel Centres to offer evening classes and courses, provide music lessons and sell produce; a similar number of people take part (as stall holders or vendors) in our various events.

We currently have thirteen regular volunteers supporting various of the services that we deliver. These individuals are volunteering for a combined total of approximately 50 hours each week. Ten of them are involved with our older people's services, including the Monday Club, Sporting Memories and Activity Afternoon and three are involved with our Early Education & Childcare services. In addition to our regular volunteers, and with a view to secure sustainability within projects after funding expires, we have over 25 ad-hoc volunteers. They have joined our volunteering community via our new online Volunteer Makers volunteering platform which offers something for everyone; whether a few times a year or regular weekly opportunities. We have recruited a one-year, fixed-term contract Volunteer Co-ordinator to implement the new platform, induct and encourage volunteers, whilst also supporting other organisations in the BS3 area to add their volunteer needs onto the platform.

The board of trustees would like to pay particular thanks to all of the volunteers who have supported BS3 Community over the past year; those mentioned above but also those who have:

- supported community events by distributing leaflets;
- provided Executive Coaching to the senior management team members; and
- facilitated the review and updating of our business plan (thanks also go to the Cranfield Trust).

We would also like to acknowledge Barclay's Bank who funded our senior managers to participate in their 'Scale-Up' programme, delivered by the University of Cambridge Judge Business School. The workshops focused on how charities, social enterprises and small businesses could approach the development (scaling) of their 'businesses' (in our case our principle Community Business, being our nurseries). The learning and output of the senior management teams' participation is helping us to develop a business case for the future scaling of our all-day nursery provision.

BS3 Community offers a number of benefits and facilities for local people, including:

Early Education & Childcare

Nursery provision

BS3 Community has run a day nursery since we first opened the Southville Centre in 1991. We currently provide nursery places for 84 children between the ages of 12 months and five years at the Southville Centre and a further 54 nursery spaces at the Chessel Centre, which was opened in December 2017. As our new provision reaches its expected operational occupancy, our Early Education & Childcare income has increased from £988k to £1.387M. The nursery provision is primarily funded by two sources of income: the delivery of government funded Free Early Education Entitlement spaces and nursery fees paid by families. In the last quarter of 2018/19, we reviewed our systems for maximising occupancy levels across all of our early education services, which has led to a slight increase in projected occupancy for 2019/20.

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Out-of-school services

At the Southville Centre, we run a Breakfast Club and Afterschool Club for children from Southville Primary School aged between the ages of four and eight. These groups are funded mostly by fees paid by families.

Holiday Play Scheme

During the school holidays BS3 Community runs a daily play scheme for children aged between 4 and 11 years. The Holiday Play Scheme is funded by charges.

Play (Toddler) Group

We run a drop-in play group (for babies through to toddlers, plus their parents) every Wednesday morning, which is usually attended by between 15 and 25 parents plus children. The group provides play opportunities for children and allows parents to socialise. It is funded by making a small charge.

Intergenerational Activities

In 2018/19 we have continued to develop intergenerational activities in the BS3 area, including piloting a weekly 'Grandparent & Toddler' group and setting up twice weekly visits to a local older people's care home. This work has been supported by grant funding from the John James Foundation.

The Southville Centre Nursery and Out-of-school services currently both have 'Outstanding' Ofsted judgements (2015). The Chessel Centre Nursery is yet to receive its first Ofsted inspection. We are expecting all three registrations to be inspected in the next 12 months. During 2018/19 our provision has also been selected as an example/model for a range of professional purposes, including to host delegates for the National Early Education Conference, to provide an article for the national Children's Centre Leader journal and to take part in 'Soundwaves', a regional early years music project. The current status and professional standing is a credit to the staff and the quality of provision. It also reflects the enormous value that the whole of BS3 Community places on the provision of exceptional quality services as well as the effort made to achieve and maintain those very high standards across the charity.

Of course, such accreditation adds further to the demand for our early education provision. Following the opening of the Chessel Centre Nursery, the number of families on our waiting list initially reduced as new places were allocated; however, this has subsequently led to a high number of new families registering, resulting in the waiting list growing once again to over one year of our current provision. This highlights the ongoing need for additional quality nursery provision across BS3. Over the past three years, the introduction of the two year-old free entitlement for eligible families, as well as the increase from 15 to 30 hours/week for eligible families with three and four year old's, have also contributed to further increase in local demand for childcare spaces.

The Southville Centre

We have continued to invest in maintaining the fabric and infrastructure of the Grade II Listed building which houses the Southville Centre. In particular, work has been carried out this year to fix leaks in the Leighton Nursery Room roof, a complex lead-sheeted roof surmounted by an original glazed lantern. As well as maintaining the fabric of the building, the day-to-day management of the premises by BS3 Community ensures that it is clean, tidy, safe and welcoming for all visitors. This work has been accomplished to a high standard and is reflected in the positive feedback that we receive.

The Southville Centre is an accessible community building with a large hall, good size conference room and a training/breakout room available for hire for weddings, community events, meetings, exercise classes, art gallery, craft markets, food fayres and many other uses. We currently host 36 activity sessions a week at the Southville Centre and have a good mixture of exercise classes for adults, children and those with disability, as well as hosting cultural and social activities.

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The rooms are also available for private hire, with discounted room hire rates available for charities and local voluntary groups. As a result, rooms are in great demand for the many project partnership meetings we are now either supporting or are involved in delivering.

Although we receive an income from some of the groups listed below, all provide vital community services:

- Adaptive Judo
- Storage for Streets Alive street party kit
- Leigh Court Farm Organic Veg Box Collection/Mark's Bread
- LILAC (Local Isolation & Loneliness Action Committee) group meetings
- The Southville Centre is a registered 'Community Place of Safety'
- Community Police Officers – loo break, place to write up notes, etc.
- Registered alternative venue for the local GP surgeries
- Polling Station
- National Fostering Agency
- BS3 Community is a member of Refill Bristol water campaign
- Notice board – well-priced local advertising
- Photocopying
- Recycling point for baby food pouches
- Cooled drinking water
- Free access to (clean and) accessible toilets

The former Care Taker's Cottage at the Southville Centre is sublet to Bristol Music Space, a local charity providing a community-based music therapy service for children, young people and adults (especially those with learning difficulties) in Bristol and the surrounding area. Their team of state-registered music therapists currently works with around 400 people each week at the Southville Centre and a wide range of other settings from Early Years centres to residential homes.

We also offer use of our hallways and café walls for local artists to display their art and other space for other local people and businesses to use, such as a 'shop area' by our reception for locally produced gifts, cards, including greeting cards, a meeting point for a healthy walking group and much, much more.

Kate's Kitchen has proven to be very popular with customers, staff, room hire customers and many others. We continue to work closely with Kate's Kitchen to develop and market the Southville Centre as an increasingly popular venue for weddings, with both the Main Hall and the Beauley Room being licensed for ceremonies. Their expertise in event catering has enhanced the attraction of the Southville Centre as a popular venue for birthdays and children's parties, wakes and many other occasions.

The Southville Centre is regularly used by a wide range of people, typically more than 2,000 people a week, from those attending celebrations with family and friends, workshops and classes of all kinds, as well as social groups, passers-by and homeworkers who pop in to use the café.

The Southville Centre is open to the public from 9am - 9pm Monday to Friday and available for hire on Saturdays and Sundays. Reception staff answer enquiries from the public on a whole range of topics and provide information and leaflets on a host of events and local services. There are notice boards for use by local groups and residents and our fully accessible toilet facilities are provided free of charge to the public. BS3 Community has signed-up to 'Refill Bristol' and encourages people to refill their water bottles with chilled tap water to reduce food miles and plastic waste.

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The Chessel Centre

The Chessel Centre, a new purpose-built facility for the community, opened in December 2017; housing a full-time nursery as well as space for community use and some much needed office space for BS3 Community staff and volunteers and certain partner organisations staff. The Chessel Centre Nursery provides 54 full-time places, which translates to around 110 additional families who now benefit from our Ofsted 'Outstanding' early years provision.

For 2019/20, the expected average occupancy at the Chessel Centre Nursery is 80%+, which is consistent with our projections and similar to the Southville Centre Nursery.

To mark the one year anniversary of the opening of the Chessel Centre we collaborated with local artist Andy Council to welcome hundreds of our neighbours and supporters into the building to visit the Jasper Community Room and invited them to think about how they wanted the space to be used. The event called 'Blank Canvas' was an opportunity for us to engage with people that perhaps hadn't been able to step inside the space since the opening event. We saw a wide demographic of people during the day and a space was set aside for the Community Development Manager to explain more about our projects and partnership work to interested visitors. We had lots of exciting suggestions about what might take place in the Jasper Room and are now considering how we might adapt our current room hire model to be able to maximise the potential of the community space.

We found that cars and vans were driving onto and parking on the extended footpath situated just outside of the Chessel Centre front entrance; this was extremely dangerous and hazardous to pedestrians and the Chessel Centre users. We worked with our local elected members to secure some Community Infrastructure Levy (CIL) funding and then with Bristol City Council Highways Department to agree installing several coloured 'pencil bollards' along the pavement. The pencil bollards have worked incredibly well and have stopped all traffic mounting or parking on the pavement, making the space much safer for all pedestrians and centre users.

Older People's Services

Older People's Services has seen an investment in time and energy with the Community Development Manager able to dedicate more to the development of those services.

Older People's "Monday Club"

Members of the club are treated to a wide and varied range of activities and entertainment; always with a hot, nutritious lunch produced by Kate's Kitchen staff (the onsite, independent caterers who run the Southville Centre café), served by others and enjoyed in the company of friends. We also take members on outings throughout the year. This set of services is mostly supported by grants from various Charitable Trusts as well as a level of self-funding from the older people who access that Monday Club. Funding is a constant challenge and we continue to seek support from local organisations.

Dementia services

We offer two drop-in clubs for people living with dementia and their carers; a reminiscence sports-based session every Tuesday and a general dementia support café every other Wednesday. Due to a new partnership working with the Bristol Bears Community Foundation, we have been able to increase our Tuesday sessions to every week (rather than fortnightly as in previous years).

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Quarterly social tea dances

The highly successful quarterly social tea dances at the Southville Centre have continued in partnership with our onsite caterers Kate's Kitchen. The band that we had used for several years relocated to Europe so we now have a local DJ (who is also a dance teacher); people that attend really enjoy the variety and tuition. DJ Derek is also a successful retailer in BS3.

Professional foot care

Foot care providers have been in great demand in Bristol generally in recent years. Unfortunately our provider left the area in 2018, but thankfully we have been able to replace with a new practitioner and are therefore able to continue to offer this important service. Foot care for elders helps prevent falls and aids mobility and balance. Discounted foot care for older people is available every month for members of the Monday Club and other older people living locally to the Southville Centre.

Community Webs (social prescribing service)

BS3 Community is the lead partner for 'Community Webs'; a GP-surgery-based social prescribing service that is re-designing how community support is provided to BS3 residents as well as how primary health care is viewed and accessed within a newly imagined support environment. Community Webs is a social prescribing service with Link Workers being based in local GP surgeries. Referrals are made via staff at the practice, whether a GP, receptionist or others. Link Workers offer, via several 1-2-1 sessions, a safe and confidential space at the GP practice to help people connect with local initiatives/ activities/ groups, to fill in forms, etc. Housing and finance issues can often affect people's wellbeing; by spending time to get to know people and their particular circumstances, the Link Workers can help to sign-post people to the most relevant services and access required support. Examples of activities that Link Workers use include volunteering, arts groups, group learning, gardening, befriending, cookery, healthy eating advice, a range of sports and much more.

Local GP-based befriending services

BS3 Community is key in brokering and developing the RSVP (a regional charity)-provided, local GP-based befriending service, which continues to thrive. BS3 Community has undertaken DBS checks on behalf of the local GPs to overcome difficulties in securing DBS checks for volunteer 'Wellbeing Guides' in a timely manner. Volunteers visit BS3 Community and are fully DBS checked, allowing them to be available for training and befriending within two weeks of stepping forward to volunteer.

Community Navigators

BS3 Community is a partner in this Bristol Ageing Better (BAB)-funded project. Bristol Community Health (BCH) is the lead partner; other partners are The Care Forum and Barton Hill Settlement. The Community Navigator project is an in-community-based social prescribing service for people over 50 years old. The Navigator Link Workers take referrals from community-based care providers, families, friends, self-referrals and support people by sign-posting and/ or accompanying them into activities and services that help engage them with their community with a focus on reducing isolation and loneliness. This social prescribing service compliments the Community Webs social prescribing service and allows for cross referrals.

Age Friendly projects

BS3 Community is leading on various projects to make the streets and pavements more accessible to people of all ages. A 'Street Warden' project has successfully secured well over 20 Wardens for their streets. Support has been provided to the Street Wardens to champion/ action any problems that cause obstructions to pavements and being able to walk along the streets, including the removal of wheelie bins blocking the pavement, cars parking in an obstructive way, bushes over hanging, etc.

Another project has seen local groups walking the streets and talking to retailers about making their shop entrances more age friendly for people with pushchairs, mobility scooters, and limited vision as well as re-positioning (or removing) A-frames and other street clutter.

BS3 Community Development

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Other activities

We continue to support and engage with the Big Lottery Fund funded, Bristol Ageing Better (BAB) projects. In 2018, we successfully secured three separate grants from BAB for partnership projects: a partnership with Wellspring Healthy Living Centre and Buzz Lockleaze focusing on improving older peoples relationship with food; a partnership with All Aboard Water sports and other partners focusing on free physical activities for the over 50's to encourage gentle exercise from Zumba to nature walks and a partnership with All Aboard Water sports working on an inter-generational project between older people and teenagers to build, sail and sell a boat.

We will continue to engage with opportunities as they arise as well as seek-out opportunities to develop new services, new partnerships and new approaches, as required, in order to make the BS3 area a great place to live, work and grow old. As such, we are engaged in the BAB and Bristol City Council 'Age Friendly City' initiative as well as the 'All Age Friendly' initiative that is being led by the University of

Bristol. We will continue to work, and support work being undertaken to support our older residents and build on the successes which we have had to date. BAB, in consultation with BS3 Community and others, has submitted a paper to the World Health Organisation for acknowledgment that Bristol is/ is working to become, an 'Age Friendly City'.

Community development work

BS3 Community continues to play a leading role in community development within the BS3 postcode area of south Bristol.

Historically, BS3 Community members and volunteers have been active in helping local residents to establish and develop/ grow a great many local groups. We continue to offer advice and practical support to local people who want to develop new and existing groups that help to improve their/our community. Support is offered to community groups in many ways including advice, encouragement, subsidised meeting rooms, use of the Southville Centre's reception, the café being a contact point for many groups, plus various resources, including management of grants/funds being available.

Increasingly we provide guidance, information and support online through our Facebook (1,797 Likes), Twitter (2,116 Followers) and LinkedIn (222 Likes - new for the organisation).

Members of the senior management team (SMT) play an active part in various strategic, steering and working groups across the city and increasingly nationally, often those groups have a focus on community cohesion and development. Ruth Green, Community Development Manager, is Vice-chair of Action Greater Bedminster and also sits on the steering group for BS3 Helping Others, LILAC, (local isolation and loneliness action committee) as well as the Community Navigator board and the South Locality Mental Health board and most recently has joined the South Bristol Policing Neighbourhood Local Independent Advisory Group.

Action Greater Bedminster (AGP)

Following the dissolution of Greater Bedminster Community Partnership in June 2017, BS3 Community supported the creation of 'Action Greater Bedminster' in order to strengthen local networks and facilitate a more coordinated approach to the delivery of statutory and other services in our local electoral wards. Many community conversations have taken place, focusing on themes that the community have identified as important; including air pollution, green spaces/facilities in parks, planning and parking.

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Local Isolation & Loneliness Action Committee (LILAC)

BS3 Community continues to support LILAC for the delivery and development of 'Tech & Talk' sessions, the delivery of the Lonely play (about isolation and loneliness of older people) and the running of the Community-based retirement programme. The Tech & Talk sessions are run in local cafes on a fortnightly basis and provide a friendly environment for older people over fifty-five to ask questions about mobile phones, tablets and computers; generally these are older people who are interested in using their IT technologies but who may find classes or a formal IT course daunting. This is a fantastic intergenerational project, with sessions led by volunteers from ILOP (Improving Lives for Older People (in BS3)), IT students from a local sixth form college and older members of the community on hand to help with queries and provide conversation.

Greater Bedminster Good Garden Awards

BS3 Community and Action Greater Bedminster continue to support these annual awards intended to encourage local residents to improve their front gardens and make BS3 a more pleasant neighbourhood in which to walk, cycle and be in.

Bedminster's Secret Gardens Open Weekend

Held over a weekend in June, this event continues to grow, with over thirty local gardeners opening their (normally private) back gardens for people to visit, whilst also raising funds for local community gardening and environmental schemes in BS3. BS3 Community provides support with advertising, web presence, public liability insurance and through selling brochures.

Blooming Bedminster Growing Community Group

This is a network of gardening and environmental projects in BS3. In addition, this supports the Open Gardens and Good Garden Awards.

Southbank Arts Trail

BS3 Community offers the Southville Centre as the largest venue for the annual Southbank Arts Trail and also promotes the event via our website, social media as well as having leaflets available in both the Southville and Chessel Centres.

Achievements and Performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

BS3 Community Development undertakes close financial monitoring and management within the Finance & Operations sub-committee, who's Chair (the Treasurer) oversees a level of questioning and scrutiny and then reports to the full board meetings.

The sub-committee includes current Co-Chairs and the Treasurer and other board members as well as the CEO and Finance Manager. One of the roles of this sub-committee is to review the financial management accounts including debtors, creditors and performance against budget plus cash flow projections and balance sheet.

Reports are submitted prior to each meeting and the accounts are audited annually. In addition to this work, the Finance & Operations sub-committee reviews and develops financial policies and systems to ensure robust financial controls and effectiveness. There is also an oversight of segregation of duties of the Financial Manager, Financial Clerks, and other senior management team members.

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b. REVIEW OF ACTIVITIES

Staff and operations

This year has largely been one of consolidation after our significant expansion in 2017/18 due to the opening of the Chessel Centre, recruitment of staff to run the centre and nursery as well as the recruitment of additional senior staff.

We continue to invest in the professional and personal development of our staff and volunteers as well as develop the culture of BS3 Community. We have held social events for trustees, staff and volunteers to meet in an informal and fun environment. In Summer 2018, we had a trip and meal on a boat on the harbour which allowed staff from different areas of the charity to mix together alongside trustees and volunteers; it was a wonderfully warm and very pleasant boat ride.

In January 2019, all trustees, staff and volunteers were invited to come together to help review and revise our business plan.

Financial Review

a. FUNDRAISING ACTIVITIES/ INCOME GENERATION

BS3 Community generates most of its income and funding through the services provided and grants secured. The vast majority of our Community Business trading (using social enterprise principles) is within our charitable objects. The surpluses generated from our primary trading activities are used to support the charity and help us fulfil our charitable purposes.

We continue to operate the charity using social enterprise principles in a way that ensures that our core services and activities, as well as the management, maintenance and running of the Southville and Chessel Centres, remain sustainable; always with an eye on achieving our triple bottom line of making a financial and social return on our investments (with the social return aligning to our charitable objects) and doing that in an environmentally responsible way. BS3 Community is not currently registered with the Fundraising Regulator.

b. INVESTMENT POLICY AND PERFORMANCE

BS3 Community has a measured attitude to risk, consciously investing cash funds into financial institutions/companies that are involved in the Financial Services Compensation Scheme (FSCS). BS3 Community will during 2019/20 review its investment policy and seek to protect any reserves and cash held by the organisation.

As at 31 March 2019, BS3 Community had investments in different term funds:

- business bank accounts;
- deposit bank accounts (instant access); and
- savings bank accounts (instant access).

Investment decisions

Where appropriate, the Finance Manager proposes new or updated investments to the Finance & Operations sub-committee; these are actioned only if approved by that standing committee and sanctioned by the full board.

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Investment management

BS3 Community investments are reviewed according to the terms of the investment. A regular review of investments is undertaken to ensure that the interest rate secured is acceptable to the Finance & Operations sub-committee.

c. GOING CONCERN

Trustees are mindful that the recent investment in the charitable company's future sustainability via the purchasing of land and the building of the Chessel Centre has, at this point in time, reduced its free reserves. As at the 31 March 2019, the charity's free reserves stood at £22,322 against a desired minimum reserve of £310,590. The trustees understand the need to rebuild the reserves to the minimum target level and are confident of the organisation's ability to do this given time.

BS3 Community's Fundraising Strategy and Action Plan sits alongside the Strategic Business plan for its short to medium term fundraising needs. The plan is in place to ensure that the charity meets its existing fundraising needs and operating commitments. The Senior Management Team members will be working together and within their relevant board of trustees sub-committee meetings to review their, and the organisations, income generating, fundraising and financing options.

Additionally, in 2019/20 a mid-point budget review will be undertaken. This, along with the development of short- and medium-term cash-flow projections will ensure that the organisations' long-term sustainability is kept in focus. The charity is servicing its mortgage debts and remains within its debt service cover ratio. The core charitable activities remain profitable.

For these reasons the organisation continues to adopt a going concern basis in preparing the financial statements.

d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

BS3 Community maintains a comprehensive Risk Assessment Framework & Risk Management Policy relating to the organisation and includes a section on financial risk. The risk register is up-dated and reviewed quarterly. In addition, all payments must be authorised by at least two members of the Senior Management Team (SMT) and for transactions exceeding £2,000 trustee authorisation is also required.

The various sub-committees support the SMT in reviewing all major risks and organisational plans and are closely involved in the scrutiny of any such plans. The SMT, members of the Finance & Operations sub-committee and the board of trustees review financial reports on a regular basis; whilst the SMT monitor performance against expectation monthly.

e. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk for the BS3 Community currently is the raising and designation of reserves and the refinancing of debt.

Additional risks include the cut-backs in funding by Charitable Trusts/Foundations and local authorities arising from the economic climate which may affect the fundraising that the charity is able to achieve.

f. RESERVES POLICY

The trustees wish to build up the charitable company's reserves and ensure they are proportionate to the financial risks and liabilities the organisation could be exposed to should it be forced to close. The organisation has reviewed its reserves policy in 2018/19, with particular focus on its commitments and

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Report of the Trustees

For the year ended 31 March 2019

operating costs. A minimum level of 'Armageddon reserves' of £310,590 has been set. The trustees also reviewed the issue of the 'SCDA' Charity Bonds (£560,000), and their settlement on 28 February 2023. This will be through the re-payment and/or re-financing at the end of the term, with decisions by trustees being timetabled 18 months prior to the 28 February 2023 repayment date (although exploration of re-financing in full or in part is underway). In addition, it has been agreed that there will be the development of a designated building repairs fund (£40,000 target). This will be established in addition to the organisation's annual buildings repairs budget. The charity will review its reserves policy at least annually. The charity plans to build its reserves through its primary trading activities and services, the securing of contracts/ service level agreements with statutory sector organisations (and others) as well as the continued securing of grant funding. The charity will review its unrestricted cash reserves at least quarterly to make sure that, where possible, reserves are designated and set aside. The charity currently has unrestricted, undesignated general funds not committed or invested in tangible fixed assets or long-term liabilities of £22,322 (2018: £62,999).

g. PRINCIPAL FUNDING

The principle funding sources in 2018/19 are income from:

- Provision of early years education and childcare;
- Commission from Kate's Kitchen Catering Limited sales;
- Rental income from Music Space;
- Room hire and events; and
- Grants from charitable trusts, foundations and other grant providers.

Structure, governance and management

a. CONSTITUTION

The company is constituted under an Articles of Association and is a registered charity number 1000544.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The members of BS3 Community board of trustees are all volunteers. Each trustee is elected for a period of up to nine years. Each year at the BS3 Community AGM either one third, or three (whichever is the greater number), of the trustees on the board come up for re-election with the longest serving third, or three, trustees having to step down and put themselves forward for re-election, if they so wish, or if agreed by the board.

A board of trustees, Chair (or Co-Chairs) and Vice-Chair (or Co-Vice-Chairs) are elected annually by the trustees at the first meeting following the AGM. The board can appoint a Treasurer, Deputy-Treasurer and/or a Company Secretary from the trustees or seek to recruit either non-trustee volunteers or even pay suitably qualified individuals to undertake either, or both of those roles.

To ensure that new trustees are appointed regularly the board has undertaken a skills audit of current trustees and matched those against the skills requirement after analysing the most recent business plan in order to identify skills gaps. The board continues to seek to recruit people with appropriate skills, experience and/or passion and invites potential new trustees to shadow their meetings as well as undertake the BS3 Community pre-trustee induction process.

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2019

The trustees constitute directors of BS3 Community for the purposes of the Companies Act 2006 and are trustees of the charity for the purposes of the Charities Act 2011. There is a limit of 15 trustees who can be elected by BS3 Community membership at the Annual General Meeting (AGM).

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

An ongoing and ever-present challenge is the recruitment and retention of trustees. BS3 Community trustee induction process has proved effective.

Since 1 April 2018, two people have completed the pre-trustee probationary period and have been co-opted s trustees. As of March 2019, one other is midway through the pre-trustee probationary period.

d. PAY POLICY FOR SENIOR STAFF

The senior management team (SMT) salary and rewards are associated with specific roles, which are not gender specific. Parity is sought between the same or similar jobs.

Undertaking a full organisational job evaluation and the development of an appropriate pay scale has been identified as a key goal in the 2019/20 business plan. We have been successful in securing the Cranfield Trust to agree this project which will be undertaken in 2019/20.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The board of trustees is responsible for the governance of BS3 Community, the setting of its strategic direction, agreeing policies, ensuring that the organisation abides by any legal requirements, signing up new members and the recruitment and management of the Chief Executive Officer (CEO).

Our CEO, Dr Simon D Hankins, is employed by BS3 Community board of trustees to provide leadership to, and management of, BS3 Community, to work with the board and others to develop the organisation's strategic direction, as well as develop and manage an organisational structure that is able to manage, maintain and develop the Southville Centre and the Chessel Centre plus the various services and activities that the organisation provides directly and wishes to provide, as given in the annually updated business plan.

The CEO is supported by five senior managers:

Lisa Caradine	-	Buildings & Operations Manager
Tim Clark	-	Executive Head of Early Education & Childcare
Ruth Green	-	Community Development Manager
Dawn Lockhart	-	Head of Communications
Becca McDougall	-	Finance Manager

f. MEMBERS

BS3 Community is a member-led and community-focused organisation; anyone can become a member of BS3 Community, a two-year membership costs £2. Each year, BS3 Community has an Annual General Meeting (AGM) where all signed-up and paid-up BS3 Community members are entitled to vote for those members standing for available places on the board of trustees.

We also have a 'Supporters' membership; there is no fee to be a Supporter. Supporters receive regular news about what BS3 Community is doing, our events and news.

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2019

g. RISK MANAGEMENT

The trustees have adopted a Risk Management Framework and considered the major risks to which the charity is exposed; they have reviewed those risks and established systems and procedures to manage the risks. This is understood by trustees and is actively taken into account (where practically possible) in staffing structures, benefits packages, recruitment, review systems and training budgets, including trustee training.

The trustees are satisfied that all operational systems are in place to ensure sound governance and management of the charity; this has been upheld in the monitoring undertaken by our funding bodies and auditors.

Plans for Future Periods

a. FUTURE DEVELOPMENTS

This year and future years will, we believe, be challenging times for everyone, what with the UK continuing to go through a period of uncertainty with a degree of political and economic instability and insecurity (with Brexit) making the need for BS3 Community (and all that we do) even more pertinent for our community. We fully recognise that we cannot do everything ourselves; that to achieve more we need to work with others; other providers, but also members of our community.

We believe that to effect sustainable and enduring positive change we need to work in a 'co-produced' way with our community to enable the community itself to be part of the solutions ('doing with' and enabling the community to 'do for' themselves, rather than us (or others) simply 'doing to').

We have been providing, and will continue to provide, opportunities, services and activities that enable people to come together, to talk, laugh, discuss, debate, have fun and get things done within their community, to be able to support one another in ways that are appropriate and required or desired – to garner and build a supportive community spirit, identity and develop community pride. We will continue to ensure that the Southville Centre continues to be a vibrant community hub that is welcoming and inclusive. We will also ensure that the Chessel Centre will continue to be operated for the benefit of the community.

We will seek to have the work of BS3 Community recognised as being for the benefit of our whole community, and we will continue to focus our efforts on the development of true 'social capital' within our community.

Trustees' Responsibilities Statement

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those 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;

BS3 Community Development

Report of the Trustees

For the year ended 31 March 2019

- State whether applicable UK accounting standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

The auditors, Godfrey Wilson Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

Approved by the trustees on 13 August 2019 and signed on their behalf by

The image shows two handwritten signatures in black ink. The signature on the left is 'Peter Bird' and the signature on the right is 'Jill Walsh'. Both signatures are written in a cursive, flowing style.

Peter Bird and Jill Walsh, Co-Chairs

Independent auditors' report

To the members of

BS3 Community Development

Opinion

We have audited the financial statements of BS3 Community Development (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. 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 charity's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, 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 charity 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 charity'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.

Independent auditors' report

To the members of

BS3 Community Development

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.

Opinion 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

BS3 Community Development

Our 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.

Use of our report

This report is made solely to the charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 17 SEPTEMBER 2019

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

BS3 Community Development

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note	Restricted £	Unrestricted £	2019 Total £	Restated 2018 Total £
Income from:					
Donations	3	806	23,718	24,524	14,811
Charitable activities	4				
Early Education and Childcare		2,625	1,384,400	1,387,025	988,878
In Community and Older People's					
Services		138,280	-	138,280	91,332
The Centres		1,974	69,755	71,729	337,765
Investments		-	271	271	1,487
Total income		<u>143,685</u>	<u>1,478,143</u>	<u>1,621,828</u>	<u>1,434,273</u>
Expenditure on:					
Raising funds		-	15,841	15,841	16,566
Charitable activities					
Early Education and Childcare		1,735	1,395,885	1,397,620	952,396
In Community and Older People's					
Services		105,574	-	105,574	104,356
The Centres		-	130,942	130,942	591,305
Total expenditure	6	<u>107,309</u>	<u>1,542,668</u>	<u>1,649,977</u>	<u>1,664,623</u>
Net income / (expenditure)		36,376	(64,525)	(28,149)	(230,350)
Transfers between funds		<u>(1,974)</u>	<u>1,974</u>	<u>-</u>	<u>-</u>
Net movement in funds	7	34,402	(62,551)	(28,149)	(230,350)
Reconciliation of funds:					
Total funds brought forward		<u>41,141</u>	<u>497,551</u>	<u>538,692</u>	<u>769,042</u>
Total funds carried forward		<u><u>75,543</u></u>	<u><u>435,000</u></u>	<u><u>510,543</u></u>	<u><u>538,692</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the accounts.

The 2018 comparatives have been restated to report income and expenditure by charitable activity. Further detail is provided in notes 4 and 6 to the accounts.

BS3 Community Development

Balance sheet

As at 31 March 2019


	Note	£	2019 £	2018 £
Fixed assets				
Tangible assets	10		1,188,420	1,223,329
Current assets				
Debtors	11	34,945		83,453
Cash at bank and in hand		<u>223,520</u>		<u>191,955</u>
		258,465		275,408
Liabilities				
Creditors: amounts falling due within 1 year	12	<u>(160,599)</u>		<u>(171,268)</u>
Net current assets			<u>97,865</u>	<u>104,140</u>
Total assets less current liabilities			1,286,285	1,327,469
Creditors: amounts falling due after more than 1 year	13		<u>(775,742)</u>	<u>(788,777)</u>
Net assets	15		<u><u>510,543</u></u>	<u><u>538,692</u></u>
Funds	16			
Restricted funds			75,543	41,141
Unrestricted funds			<u>435,000</u>	<u>497,551</u>
Total charity funds			<u><u>510,543</u></u>	<u><u>538,692</u></u>

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

Approved by the trustees on 13 August 2019 and signed on their behalf by



Peter Bird - Co-Chair



Jill Walsh - Co-Chair

BS3 Community Development**Statement of cash flows****For the year ended 31 March 2019**

	2019 £	2018 £
Cash used in operating activities:		
Net movement in funds	(28,149)	(230,350)
<i>Adjustments for:</i>		
Depreciation charges	42,916	21,388
Impairment charge	-	384,027
Interest paid	30,436	9,299
Dividends, interest and rents from investments	(271)	(1,487)
Decrease / (increase) in debtors	48,508	19,626
Increase / (decrease) in creditors	(10,854)	(27,744)
Net cash provided by operating activities	82,587	174,759
Cash flows from investing activities:		
Dividends, interest and rents from investments	271	1,487
Purchase of tangible fixed assets	(8,007)	(823,404)
Net cash used in investing activities	(7,736)	(821,917)
Cash flows from financing activities:		
Repayment of borrowing	(43,286)	(170,850)
Cash inflows from new borrowing	-	245,000
Net cash provided in / (used in) financing activities	(43,286)	74,150
Increase / (decrease) in cash and cash equivalents in the year	31,565	(573,008)
Cash and cash equivalents at the beginning of the year	191,955	764,963
Cash and cash equivalents at the end of the year	223,520	191,955

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in 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.

BS3 Community Development 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 note(s).

b) Going concern basis of accounting

The accounts have been prepared on the basis that the charitable company is able to continue as a going concern. As stated in the trustees' annual report, the charitable company's free reserves have fallen below its minimum target level due to the investment in the Chessel Centre in 2017/18. The trustees understand the need to rebuild the reserves to a minimum target level. A mid-point review has been undertaken which has identified additional nursery income expected in 2019/20 and because of this, as well as their short and medium-term cash-flow and further reaching income projections, the trustees are confident that the organisation is able to continue as a going concern.

c) Income

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of goods and services being delivered, including nursery provision, events and room hire is deferred until criteria for income recognition are met.

d) Donated services and facilities

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 economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), 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.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the organisation and the costs are shared on the basis of activity on a percentage of square meterage used. Irrecoverable VAT is included in 'running costs' in note 6.

h) Allocation of central costs

Support and governance costs:

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including costs of complying with the constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated across the activities of the charity using square meterage and full time equivalent employees of each activity as cost drivers.

Centre costs:

Along with the allocation of support and governance costs, the charity also apportions some of the Centres' expenditure for buildings, running and staffing costs across the activities of the charity. This full cost recovery method better reflects the true cost to the charity of each activity and the Centres. The charity has developed percentage formulae based on square meterage for buildings costs, and full time equivalent employees for running and staffing costs. These formulae are used as cost drivers. Costs are then allocated back to each charitable activity. Formulae templates are adjusted annually to ensure a true reflection of the charity's activities in its finances.

i) Tangible fixed assets

Depreciation is provided at rates calculated to write-down the cost of each asset to its estimated residual value over its expected useful lifetime. The depreciation rates in use are as follows:

▪ Leasehold improvements	2% straight line basis
▪ Fixtures, fittings and equipment	25% straight line basis
▪ Land and buildings	2% straight line basis (retaining land value of £275,000)

Items of equipment are capitalised where the purchase price is, or exceeds, £1,000.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

j) Impairment of fixed assets

At each reporting period 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities. Impairment losses are charged as a direct charitable cost to The Centres.

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

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

The charity bond is recognised as a concessionary loan. The bond is initially recognised at the amount received and is subsequently adjusted to reflect any accrued interest payable. The bond is reviewed for impairment and to the extent the loan is irrecoverable, a corresponding impairment loss is recognised in the SOFA.

o) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

p) Accounting estimates and key judgements

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

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

p) Accounting estimates and key judgements (continued)

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Depreciation rates in operation during the current and prior period are disclosed in note 1i.

2. Prior period comparatives

	Restricted £	Unrestricted £	Restated 2018 Total £
Income from:			
Donations	2,339	12,472	14,811
Charitable activities			
Early Education and Childcare	-	988,878	988,878
In Community and Older People's Services	91,332	-	91,332
The Centres	278,618	59,147	337,765
Investments	-	1,487	1,487
Total income	372,289	1,061,984	1,434,273
Expenditure on:			
Raising funds	-	16,566	16,566
Charitable activities			
Early Education and Childcare	-	952,396	952,396
In Community and Older People's Services	104,356	-	104,356
The Centres	50,158	541,147	591,305
Total expenditure	154,514	1,510,109	1,664,623
Net income / (expenditure)	217,775	(448,125)	(230,350)
Transfers between funds	(456,757)	456,757	-
Net movement in funds	(238,982)	8,632	(230,350)

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

3. Income from donations

	Restricted £	Unrestricted £	2019 Total £
Donations - organisations	763	12,901	13,664
Donations - individuals	43	1,254	1,297
Donations - gifts in kind	-	9,563	9,563
Total income from donations	806	23,718	24,524

During the year, the charity benefitted from gifts in kind of paint supplies from Lloyds Bank and staff training services provided by Cambridge University and The Cranfield Trust (2018: none).

Prior period comparative:

	Restricted £	Unrestricted £	2018 Total £
Donations - organisations	2,100	10,610	12,710
Donations - individuals	239	1,862	2,101
Total income from donations	2,339	12,472	14,811

4. Income from charitable activities

	Restricted £	Unrestricted £	2019 Total £
Early education and childcare:			
Grants	2,625	-	2,625
Childcare income	-	1,384,400	1,384,400
Total early education and childcare	2,625	1,384,400	1,387,025
In Community and OPS:			
Grants	138,280	-	138,280
Total In Community and OPS	138,280	-	138,280
The Centres:			
Grants	1,974	-	1,974
Rental and room hire income	-	38,637	38,637
Café	-	19,302	19,302
Other	-	11,816	11,816
Total Centres	1,974	69,755	71,729
Total income from charitable activities	142,879	1,454,155	1,597,034

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

4. Income from charitable activities (continued)

Prior period comparative:

	Restricted £	Unrestricted £	2018 Total £
Early education and childcare: Childcare income	-	988,878	988,878
Total early education and childcare	-	988,878	988,878
In Community and OPS: Grants	91,332	-	91,332
Total In Community and OPS	91,332	-	91,332
The Centres: Grants	278,618	646	279,264
Rental and room hire income	-	33,698	33,698
Café	-	15,679	15,679
Other	-	9,124	9,124
Total Centres	278,618	59,147	337,765
Total income from charitable activities	369,950	1,048,025	1,417,975

5. Government grants

The charitable company receives government grants, defined as funding from Bristol City Council Community Infrastructure Levy to fund charitable activities. The total value of such grants in the period ending 31 March 2019 was £1,974 (2018: £75,931). There are no unfulfilled conditions or contingencies attached to these grants.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

6. Total expenditure

	Raising funds £	Charitable activities - Early Education and Childcare £	Charitable activities - In Community and OPS £	Charitable activities - The Centres £	Support and governance costs £	2019 Total £
Staff costs (note 8)	11,885	735,619	27,636	107,230	210,905	1,093,275
Other staffing costs	-	4,651	183	5,874	16,404	27,112
Direct project costs	12	160,422	56,684	9,641	2,634	229,393
Premises costs	-	604	-	98,271	18,054	116,929
Depreciation	-	-	-	17,675	25,241	42,916
Finance costs	-	-	-	8,036	24,041	32,077
Professional fees	-	-	-	1,754	8,895	10,649
Running costs	-	3,850	242	17,955	72,226	94,273
Promotion and advertising	-	-	-	560	2,793	3,353
Sub-total	11,897	905,146	84,745	266,996	381,193	1,649,977
Allocation of support and governance costs	2,486	310,381	13,127	55,199	(381,193)	-
Allocation of centre costs to other activities	1,458	182,093	7,702	(191,253)	-	-
Total expenditure	15,841	1,397,620	105,574	130,942	-	1,649,977

Total governance costs were £6,539 (2018: £6,387).

Costs allocated to The Centres show the total cost of running the Southville and Chessel centres. Where these costs are shared by other activities (Early Education and Childcare and In Community and OPS) they are allocated in line with the policy stated in note 1 (h). The remaining cost in The Centres represents the cost of running the centres as a community building.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

6. Total expenditure (continued)

Prior period comparative - restated	Raising funds £	Charitable activities - Early Education and Childcare £	Charitable activities - In Community and OPS £	Charitable activities - The Centres £	Support and governance costs £	2018 Total Restated £
Staff costs (note 8)	7,242	493,746	14,907	114,358	145,944	776,197
Other staffing costs	-	1,481	-	-	9,229	10,710
Direct project costs	-	147,920	63,611	-	27,819	239,350
Premises costs	-	150	-	86,302	10,752	97,204
Impairment	-	-	-	384,027	-	384,027
Depreciation	-	-	-	14,952	6,436	21,388
Finance costs	-	-	-	-	22,400	22,400
Professional fees	-	-	-	-	2,546	2,546
Running costs	-	308	-	8,368	78,881	87,557
Promotion and advertising	-	-	-	1,500	21,744	23,244
Sub-total	7,242	643,605	78,518	609,507	325,751	1,664,623
Allocation of support and governance costs	3,743	123,956	10,372	187,680	(325,751)	-
Allocation of centre costs to other activities	5,581	184,835	15,466	(205,882)	-	-
Total expenditure	16,566	952,396	104,356	591,305	-	1,664,623

The 2018 comparatives have been restated to report expenditure by charitable activity. Total expenditure on raising funds and charitable activities has not changed.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

7. Net movement in funds

This is stated after charging:

	2019 £	2018 £
Depreciation	42,916	21,388
Impairment	-	384,027
Operating lease payments	11,912	7,035
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	-	55
Auditors' remuneration:		
▪ Statutory audit	5,900	5,800
▪ Other services	508	-

No trustee received reimbursement of expenses during the year (2018: 1 trustee).

8. Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,016,085	695,822
Social security costs	62,849	43,690
Pension costs	13,518	9,934
Non-salaried staffing costs	823	26,751
	<u>1,093,275</u>	<u>776,197</u>

No employee earned more than £60,000 during the year.

Key management personnel of the charitable company comprise the trustees, CEO, Head of EE&C, Head of Communication and Community Development, Buildings and Operations Managers and Finance Manager. The total employee benefits of the key management personnel were £237,695 (2018: £189,243).

Staff numbers were as follows:

	2019 No.	2018 No.
Average head count	68.50	53.00
Full time equivalent	<u>46.50</u>	<u>36.50</u>

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

10. Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Land and buildings £	Total £
Cost				
At 1 April 2018	223,765	221,717	1,319,027	1,764,509
Additions in year	-	-	8,007	8,007
At 31 March 2019	<u>223,765</u>	<u>221,717</u>	<u>1,327,034</u>	<u>1,772,516</u>
Depreciation				
At 1 April 2018	7,257	145,496	388,427	541,180
Charge for the year	<u>4,475</u>	<u>25,241</u>	<u>13,200</u>	<u>42,916</u>
At 31 March 2019	<u>11,732</u>	<u>170,737</u>	<u>401,627</u>	<u>584,096</u>
Net book value				
At 31 March 2019	<u>212,033</u>	<u>50,980</u>	<u>925,407</u>	<u>1,188,420</u>
At 31 March 2018	<u>216,508</u>	<u>76,221</u>	<u>930,600</u>	<u>1,223,329</u>

The Southville Centre (Beauley Road, Bristol) itself is on a 999 year lease from Bristol City Council. The lease was signed in 1990 and is for a peppercorn rent. The costs of renovating the site and building were expensed in the year they were incurred, in line with accounting policies and standards at the time. Included within land and buildings is land worth £275,000 which has not been depreciated.

11. Debtors

	2019 £	2018 £
Trade debtors	27,259	74,527
Prepayments	7,209	7,213
Accrued income	477	-
Other debtors	-	1,713
	<u>34,945</u>	<u>83,453</u>

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

12. Creditors : amounts due within 1 year

	2019 £	2018 £
Bank loan	13,176	12,991
Trade creditors	34,781	61,020
Accruals	13,381	13,546
Other taxation and social security	17,196	13,094
Deferred income (see note 14)	-	1,930
Other creditors	82,065	68,687
	<u>160,599</u>	<u>171,268</u>

13. Creditors : amounts due after 1 year

	2019 £	2018 £
Bank loan	215,742	228,777
Charity bond	560,000	560,000
	<u>775,742</u>	<u>788,777</u>

Analysis of debt maturity

Debt due after more than one year:

repayable between one and five years	617,653	616,374
repayable in five years or more	158,089	172,403
	<u>775,742</u>	<u>788,777</u>

Mortgage interest rates with CAF Bank increased by 0.25% in August 2018. The mortgage is payable monthly at an annual interest rate of 3.5% and is secured on the Chessel Centre.

The charity bond is repayable in full in February 2023. Interest is payable annually in arrears at 4% gross. Interest expense was payable to bond holders of £20,160 and tax in relation to this to HMRC of £2,240. There was no impairment of the financial liability in the year ending 31 March 2019. The bonds are unsecured.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

14. Deferred income

	2019 £	2018 £
At 1 April 2018	1,930	-
Deferred during the year	-	1,930
Released during the year	(1,930)	-
At 31 March 2019	-	1,930

Deferred income relates to Bristol Community Hospital funding for Dementia Navigator contributions in advance of service delivery.

15. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	1,188,420	1,188,420
Net current assets	75,543	22,322	97,865
Non current liabilities	-	(775,742)	(775,742)
Net assets at 31 March 2019	75,543	435,000	510,543

Prior period comparative

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	1,223,329	1,223,329
Net current assets	41,141	62,999	104,140
Non current liabilities	-	(788,777)	(788,777)
Net assets at 31 March 2018	41,141	497,551	538,692

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

16. Movements in funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2019 £
Restricted funds					
Chessel Centre development	-	1,974	-	(1,974)	-
Community development:					
In Community projects:					
Community Webs	10,000	51,500	(14,801)	-	46,699
Discretionary TNB Fund	-	5,500	-	-	5,500
SW&EB	5,500	-	(550)	-	4,950
Tech&Talk	3,658	5,000	(3,780)	-	4,878
Hyper Local	-	17,518	(13,416)	-	4,102
Your Food Your Health	-	12,502	(8,938)	-	3,564
Alonely	4,980	2,100	(5,010)	-	2,070
Come on Board	-	2,375	(2,061)	-	314
Rocking the Boat	-	2,400	(2,400)	-	-
In community projects	150	900	(1,050)	-	-
Older people's services	15,992	39,269	(52,708)	-	2,553
Sustainable Southville/BS3	861	-	(861)	-	-
Early education and childcare:					
Grandparent & Toddler group	-	2,647	(1,734)	-	913
Total restricted funds	41,141	143,685	(107,309)	(1,974)	75,543
Unrestricted funds					
General funds	497,551	1,478,143	(1,542,668)	1,974	435,000
Total unrestricted funds	497,551	1,478,143	(1,542,668)	1,974	435,000
Total funds	538,692	1,621,828	(1,649,977)	-	510,543

Purposes of restricted funds

Chessel Centre development

Capital grant payments from Bristol City Council, Community Infrastructure Levy, for highways works outside of the Chessel Centre, the works have been completed, all restrictions on the capital grant has been discharged. The balance transferred to unrestricted funds represents capitalised costs.

Community Webs

Funded by Bristol Benevolent Institute and St Monica's Trust - link workers are situated in GP surgeries with the aim of reducing non medical presentations and support people in a person centred way with non medical needs to improve their wellbeing and connections with the community.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

16. Movements in funds (continued)

Discretionary TNB Fund

A pilot funded by The National Benevolent Society to discreetly support people in the BS3 area living in poverty.

SW&EB

A project funded by Bristol City Council to reduce health inequalities in a specific area of BS3 which is an area of deprivation.

Tech&Talk

Carried forward funding from 2017/18 (Peoples Lottery, crowdfunding) - supporting people over 55 with technology in a participant led way, many volunteers are students from a local college.

Hyper Local

Funded by ESRC and working in partnership with Bristol University, based on research, a hyper local retirement programme was designed to support people in BS3 post/pre retirement as this major change in daily life later in life can cause isolation and loneliness.

Your Food Your Health

Funded by Bristol Aging Better (BAB), this project works in partnership with Wellspring Healthy Living Centre and Buzz Lockleaze to engage people over the age of 50 with food - work has taken place in BS3 in social housing and tower block community rooms.

Alonely

Carried forward funding from 2017/18 - a series of monologues performed by local volunteers that did research in flu clinics, libraries and on the street talking to older people about loneliness - the life stories were worked into a performance with a dramaturg and producer and have been performed at the House of Commons, many colleges and events to raise awareness of loneliness and hopefully provoke thoughts and reduce the stigma attached to it.

Come on Board

Funded by Bristol Ageing Better (BAB), this project encourages people over 50 to engage with activity (gentle exercise). We deliver Seated Zumba and QuiJong (there are 8 other partners in the project that offer walks, cycling, walking cricket etc).

Rocking the Boat

Funded by Bristol Aging Better (BAB), this project works in partnership with All Aboard Watersports - the project is to engage people over the age of 50 and younger people. This intergenerational project brings together 6 men (50+ and 6 young people (15-18) to work together to build a boat, sail the boat and sell the boat (the proceeds of the sale then pay for materials for the next cohort).

In Community projects

Other small project areas include a Community University Partnership Initiative (CUPI) with University of the West of England, Exploring stories around life threatening illness and bereavement and Open Garden improvements with Secret Garden Awards.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

16. Movements in funds (continued)

Older people's services

Grateful Society, Bristol Benevolent Institution - several schemes are provided within older people's services, individual funding and donations for activities such as a day club, dementia services, tea dances.

Sustainable Southville/BS3

Several small projects from historically funded activities, working to promote environmental awareness, enhance green spaces and reduce the negative impact from emissions in the BS3 area.

Grandparent and Toddlers group

A pilot scheme for intergeneration play group; weekly grandparent and toddler sessions, in partnership with Children Centre Leaders; Hempals and funded by John James Foundation.

Transfers between funds

Transfers between funds relate to the release of capital funds to unrestricted on completion of the highways works, thereby discharging the restrictions on the capital grants.

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

16. Movements in funds (continued)

Prior period comparative	At 1 April 2017 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2018 £
Chessel Centre development	219,050	278,957	(37,470)	(460,537)	-
Southville Centre development	2,949	2,000	(8,729)	3,780	-
Community development:					
In Community projects:					
Community Webs	-	20,000	(10,000)	-	10,000
SW&EB	5,000	500	-	-	5,500
Alonely	2,000	6,000	(3,020)	-	4,980
Tech&Talk	7,265	5,162	(8,769)	-	3,658
Community projects	8,473	150	(8,473)	-	150
Older people's services	28,897	46,508	(59,413)	-	15,992
Green Walkway	2,217	-	(2,217)	-	-
Bristol Hydroscares project	1,880	3,600	(5,480)	-	-
Sustainable Southville/BS3	1,062	-	(201)	-	861
Urban Community Energy	938	7,212	(8,150)	-	-
Two Towers project	-	2,200	(2,200)	-	-
Early education and childcare:					
Nursery parents' forum	392	-	(392)	-	-
Total restricted funds	280,123	372,289	(154,514)	(456,757)	41,141
Unrestricted funds					
General funds	488,919	1,061,984	(1,510,109)	456,757	497,551
Total unrestricted funds	488,919	1,061,984	(1,510,109)	456,757	497,551
Total funds	769,042	1,434,273	(1,664,623)	-	538,692

17. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2019 £	2018 £
Amount falling due:		
Within 1 year	11,912	11,912
Within 1 - 5 years	21,925	33,837
	33,837	45,749

BS3 Community Development

Notes to the financial statements

For the year ended 31 March 2019

18. Financial instruments

	2019 £	2018 £
Financial assets measured at amortised cost	251,256	266,482
Financial liabilities measured at amortised cost	<u>(916,431)</u>	<u>(941,410)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

19. Related party transactions

Trustees of the charity use the nursery services at BS3 Community Development and all transactions are carried out at arms length. There are no other related party transactions in the year ended 31 March 2019 (2018: £nil).