

# **Prospects for people with learning disabilities**

## **Annual report and financial statements**

For the year ended 31 March 2019

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## Reference and administrative details for Prospects

Prospects for People with Learning Disabilities is a Charity registered in England and Wales under number 1060571 and in Scotland under number SC040944. It was incorporated on 22 January 1997 and is governed by Memorandum and Articles of Association dated 22 January 1997 as amended 11 May 2009. It is a private company limited by guarantee. Its Company number is 3305658.

### Board of Trustees

Caroline D. Armitage	(Chair of Trustees, resigned 25 July 2018)
Sally Chivers	(appointed 25 July 2018)
David Bentley	(resigned 04 July 2019)
Kate Clare	(appointed 28 June 2019)

Livability

The above Board members are treated as Directors under Company law and Trustees under Charity law.

### Company Secretary

Alex Botha	(appointed 1 August 2018, resigned 29 January 2019)
Stephanie Boyce	(appointed 15 January 2018, resigned 31 July 2018)
Erica Wilkinson	(appointed 29 January 2019, resigned 08 July 2019)

### Executive team

Helen England	Chief Executive Officer (appointed 10 May 2018, resigned 01 July 2019)
David Webber	Chief Executive Officer (resigned 9 May 2018)
Sally Chivers	Interim Chief Executive (appointed 25 July 2019)

### Registered office

6, Mitre Passage, London, SE10 0ER

### Bankers

Lloyds TSB Bank Plc, Market Square, Reading, RG1 2EQ

### Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

### Solicitors

Mills & Reeve LLP, 24 Monument Street, London, EC3R 8AJ

## **Trustees report**

The trustees submit the annual report and the financial statements of Prospects for People with Learning Disabilities for the year ended 31 March 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Formal merger agreement was entered into with Livability on 11th May 2016, following which the management and oversight of the Prospects' services passed to the Livability Board of Trustees and Executive Team. The Prospects services continued to operate during the 2018/19 financial year with financial support from Livability.

The two charities carried out an integration programme, which saw the Prospect's back office, and support functions transferred to Livability's head office at 6, Mitre Passage, London and the Prospects' head office in Reading was closed at the end of November 2016.

In the period following merger the operational service delivery and back office support functions of the two organisations quickly became more closely integrated and the administrative and the accounting work involved in maintaining separate records could no longer be considered reasonable. Trustees therefore decided to transfer the assets and liabilities of Prospects to Livability with effect from 31st March 2017. During the year under review, a few service contracts remained within Prospects, awaiting transfer to Livability once approval was granted to transfer the regulatory registration. This occurred in April 2019.

The change of registration of Prospects services with the regulators in England, Wales and Northern Ireland could not be completed in time to have all the documentation in place for 31st March 2017. Whilst the trade and assets of the services transferred on 31st March 2017, the registered manager remained an employee of Prospects until the regulators completed the registration documentation.

## **Results for the period**

The Company results are set out on pages 11 to 20.

Income for the year was £424k (2018 £536k). This reflects a small number of employees remaining within Prospects. The costs for the year matched the income at £424k (2018 £536k) which reflects the cost of Livability providing resources to run the service.

## **Principal activity**

The Company's principal activity throughout the financial year was the provision of care services to people with learning disabilities.

## **Trustees report (continued)**

### **Reserves Policy**

Following the merger, all the assets were transferred to Livability therefore, no reserves are maintained by Prospects for people with learning disabilities.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the Board on ..... 14 / 11 ..... 2019

..... K.M. Clare

**Kate Clare**

**Trustees**

## **Statement of trustees responsibilities**

The trustees are responsible for preparing the trustees 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 directors 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the trustees and members of Prospects for people with learning disabilities**

### **Opinion**

We have audited the financial statements of Prospects for People with Learning Difficulties for the year ended 31 March 2019, which comprise the statement of financial activities, the balance sheet, and the related notes, 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 (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 2019 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 relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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.

### **Financial statements prepared on a basis other than going concern**

We draw your attention to the statement of accounting policies within the financial statements, which explains that, as a consequence of the decision taken by the Board of Trustees to transfer the remaining trade, assets and liabilities of the company to Livability, the company has ceased operating and therefore the Trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern.

Our opinion is not modified in this respect of this matter.

## **Independent auditor's report to the trustees and members of Prospects for people with learning disabilities (continued)**

### **Other information**

The other information comprises the Trustees' report and Trustees' responsibilities statement. The Trustees are responsible for the other information.

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.

### **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, which are included in 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 Strategic report or the Trustee's report.



## **Independent auditor's report to the trustees and members of Prospects for people with learning disabilities (continued)**

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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **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 determines 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

## **Independent auditor's report to the trustees and members of Prospects for people with learning disabilities (continued)**

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 at the Financial Reporting Council's ("FRC's") website at:

<https://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 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.

BDO LLP

Julia Poulter (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 18<sup>th</sup> November 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of financial activities for the year ended 31 March 2019**

	Notes	Unrestricted Funds £	Total 2019 £	Unrestricted Funds £	Restricted Funds £	Total 2018 £
<b>INCOME &amp; ENDOWMENTS FROM:</b>						
Donations and gifts		-	-	-	-	-
Income from investments		-	-	-	-	-
Income from charitable activities;		-	-	-	-	-
Income to deliver professional care		-	-	-	-	-
Other income		424,193	424,193	535,916	-	535,916
<b>Total income &amp; endowments</b>		<b>424,193</b>	<b>424,193</b>	<b>535,916</b>	<b>-</b>	<b>535,916</b>
<b>EXPENDITURE ON:</b>						
Raising Funds;		-	-	-	-	-
Costs of raising funds	2	-	-	-	-	-
Expenditure on Charitable Activities;		-	-	-	-	-
Delivering professional Care	2	424,193	424,193	535,916	-	535,916
<b>Total Expenditure</b>		<b>424,193</b>	<b>424,193</b>	<b>535,916</b>	<b>-</b>	<b>535,916</b>
<b>Net income/(expenditure)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer between funds		-	-	-	-	-
<b>Net movement in funds in the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening fund balance		-	-	1,017,900	518,436	1,536,336
<b>Transfer of net assets to Livability</b>		<b>-</b>	<b>-</b>	<b>(1,017,900)</b>	<b>(518,436)</b>	<b>(1,536,336)</b>
<b>Closing Funds balance</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

All income and expenditure arises from activities continuing in Livability from 31<sup>st</sup> March 2019. There were no other recognised gains and losses other than those reported in the statement of financial activities.

The notes on pages 13 to 20 form part of these financial statements

## Balance sheet as at 31 March 2019

Company Registration No. 3305658

	Notes	2019 £	2018 £
FIXED ASSETS			
<b>Tangible fixed assets</b>		-	-
CURRENT ASSETS			
<b>Debtors</b>	6	9,969	13,388
<b>CREDITORS: due within one year</b>	7	(9,969)	(13,388)
NET CURRENT ASSETS		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-
<b>TOTAL NET ASSETS</b>		<u>-</u>	<u>-</u>
Represented By:			
<b>Unrestricted Funds</b>	8	-	-
<b>TOTAL FUNDS</b>		<u>-</u>	<u>-</u>

These financial statements were approved and authorised for issue by the Board on .....14 NOVEMBER 2019 and signed on their behalf by:

Sally Chivers  
Trustee



The notes on pages 13 to 20 form part of these financial statements

# **Notes to the financial statements for the year ended 31 March 2019**

## **1. Accounting Policies**

The policies below set out the bases of recognition and measurement used by Prospects and companies for material items in the financial statements.

### **A. Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention. They have also been prepared in accordance with the Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS102), effective 1 January 2015 and the Companies Act 2006 as applied to charitable companies.

The financial statements include the income, expenditure, assets, liabilities and funds of Prospects.

As a wholly owned subsidiary of Livability, Prospects is exempt from the obligation to prepare group accounts.

### **B. Going concern**

The Trustees have prepared the financial statements on the basis that the company is no longer a going concern as the company transferred its remaining trade, assets and liabilities to Livability in April 2019 and has ceased trading. The going concern basis of accounting is therefore not appropriate and therefore an alternative basis has been applied. As all assets and liabilities were transferred at book value, the use of an alternative basis has no impact on the figures presented.

### **C. Exemption**

The company qualifies as a small charity under the Charitable Act and has taken advantage of the reduced disclosure framework exemption from requirement to prepare a statement of cash flows.

# **Notes to the financial statements for the year ended 31 March 2019 (continued)**

## **1. Accounting Policies (continued)**

### **D. Funds**

#### **i. Unrestricted funds**

Unrestricted funds arise from income donated to or earned by the charity in pursuit of its charitable objects and may be applied in any way that meets those charitable objects.

#### **ii. Permanent endowment funds**

Permanent endowment funds represent assets that are intended by their donor to be retained and used by the charity to pursue its objects either by its use or by generating income.

### **E. Income**

#### **Income from Charitable Activities**

Where Prospects provides services or goods in return for payment, the income from these items is recognised when Prospects completes its part of the agreement by delivering the services or goods.

Grants related to performance of contractual obligations are recognised when Prospects has entitlement to the income, it is probable that income will be received and the amount of income can be measured reliably.

### **F. Expenditure**

All expenditure is accounted for on an accruals basis and has been listed in such a way as to accumulate all the charity's costs of employees, goods and services relating to a particular activity of the charity under that activity heading. Direct costs, including attributable salaries and associated costs, are allocated on an actual basis to the key areas of activities. Indirect costs (support costs), primarily comprising staff costs of employees based at the charity's National Office in London, are allocated to each activity heading using a number of identified cost drivers, including expenditure and staff numbers.



# **Notes to the financial statements for the year ended 31 March 2019 (continued)**

## **1. Accounting Policies (continued)**

### **G. Financial Instruments**

Financial instruments are contracts that give rise to a financial asset for one party to the contract and a financial liability or equity instrument for the other party.

#### **Basic Financial Instruments**

Prospects and its group entities have basic financial instruments that are recognised when the provisions of the contract are met and for which the accounting policies are as follows:

#### **Trade debtors and other amounts receivable**

Trade debtors and other amounts receivable are recognised at the value defined by the contract, agreement or legislation giving rise to the amount receivable. Impairment of receivable amounts is recognised as expenditure in the SOFA.

#### **Trade creditors and other amounts payable**

Trade creditors and other amounts payable are recognised at the value defined by the contract, agreement or legislation giving rise to the liability.

### **H. Short-term employee benefits**

The liability to pay short-term employee benefits, which are mainly salary, the entitlement to paid leave and related employment taxes, is recognised as the employees earn entitlement to pay and paid leave under the terms of their employment contract, with a corresponding expense recognised in expenditure. Amounts paid are deducted from the liability when paid.

### **I. Redundancy and termination payments**

Redundancy and termination payments are recognised in the Statement of Financial Activities when they become due for payment as a result of notice given to staff or agreement between the charity and the employee.

# **Notes to the financial statements for the year ended 31 March 2019 (continued)**

## **1. Accounting Policies (continued)**

### **J. Pensions**

#### **Defined contribution pension schemes**

Contributions to defined contribution pension schemes are recognised in the Statement of Financial Activities when entitlement to the contributions has been earned by the member of staff. The cost is allocated to the activity within which the staff member has worked and the fund that is resourcing the activity.

### **K. Taxation Status**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

### **L. Judgement and uncertainties**

In preparing these financial statements, there are no judgements and uncertainties.



## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 2. Total Expenditure

	Staff Costs	Total	Total
		2019	2018
	£	£	£
<b>Costs of generating funds</b>			
Fundraising & Publicity Costs	—	—	—
<b>Charitable expenditure</b>			
Delivering Professional Care	424,193	424,193	535,916
	<b>424,193</b>	<b>424,193</b>	<b>535,916</b>

3. Included in Total Resources	2019	2018
are the following expenses: -	£	£
Depreciation - Tangible Assets	-	6,243

Audit fee for the year 2018-19 is borne by the parent charity Livability

4. Interest Payable	2019	2018
	£	£
Bethany House loan	-	3,851
ERP loan	-	1,195
	-	5,046

## Notes to the financial statements for the year ended 31 March 2019 (continued)

<b>5. Staff and Staff Costs</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
The average number of staff employed during the year was:	9	10
Wages & Salaries	375,525	469,356
Employer's National Insurance	40,853	50,323
Pensions	6,799	4,948
Redundancies	1,016	-
	<b>424,193</b>	<b>524,627</b>

No employees received remuneration above £60,000 during the year (2018: none).

### Remuneration of key management personnel

There were no key members of staff in 2018-19. All management are now employees of Livability and paid by the parent.

## Notes to the financial statements for the year ended 31 March 2019 (continued)

6. Debtors	2019	2018
	£	£
Owed by group companies	9,969	13,388
	<u>9,969</u>	<u>13,388</u>

7. Creditors – due within one year	2019	2018
	£	£
Bank Loans	-	-
Taxation and social security	9,969	13,388
	<u>9,969</u>	<u>13,388</u>

The Prospects bank loans were repaid on 30<sup>th</sup> June 2017 by Livability as part of a refinancing of Livability's external debt.

8. Unrestricted Funds	2019	2018
	£	£
Income	424,193	535,916
Expenditure	(424,193)	(535,916)
	<u>-</u>	<u>-</u>
Transfer of net assets to Livability	-	(1,017,900)
	<u>-</u>	<u>-</u>
Balance brought forward	-	1,017,900
Balance carried forward	<u>-</u>	<u>-</u>

## **Notes to the financial statements for the year ended 31 March 2019 (continued)**

### **9. Contingent Liabilities**

At 31 March 2019, there were no contingent liabilities

### **10 Capital Commitments**

At 31 March 2019 the Charity had no capital commitments (2018: None)

### **11 Related party transactions**

#### **Trustees**

No Trustees or persons connected with them received any remuneration or other financial benefits for the year directly or indirectly from the Charity (2018: £nil).

No Trustees received expenses during the year (2018: £nil).