

Charity Registration No. 1139537

Company Registration No. 04029394 (England and Wales)

**THE BRAUNSTONE FOUNDATION**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

# THE BRAUNSTONE FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Gwen Abraham MBE Michael Cooke Pauline Hurd Henry Thompson Keith Beaumont Elaine Halford Rev Keith Magee
<b>Secretary</b>	Angela Wright (Chief Officer)
<b>Charity number</b>	1139537
<b>Company number</b>	04029394
<b>Principal address</b>	Business Box 3 Oswin Road Braunstone Leicester LE3 1HR
<b>Registered office</b>	Business Box 3 Oswin Road Braunstone Leicester LE3 1HR
<b>Auditor</b>	David Mayfield FCA Mayfield & Co. 2 Merus Court Meridian Business Park Leicester LE19 1RJ
<b>Bankers</b>	Unity Trust Bank Plc Nine Brindley Place Birmingham B1 2HB
<b>Solicitors</b>	Weightmans LLP 71 Princess Road West Leicester LE1 6TR

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# THE BRAUNSTONE FOUNDATION

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# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2018**

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The trustees presents its report and accounts for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

#### **Principal Activities and Business Review**

The Braunstone Foundation's charitable objects are to promote ,for the benefit of the public, urban regeneration in areas of social and economic deprivation (and in particular in Braunstone) by all or any of the following means:-

- a) the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantages;
- b) the relief of unemployment;
- c) the advancement of education and training;
- d) the creation of employment and business opportunities through the provision of advice, workspace, buildings, and/or land for use on favourable terms;
- e) the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
- f) the preservation of buildings or sites of historic or architectural importance;
- g) the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, have need of such facilities;
- h) the protection or conservation of the environment;
- i) the provision of public health facilities and childcare;
- j) the promotion of public safety and prevention of crime; and
- k) the development of the capacity and skills of the members of the community in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society.

During the year to 31 March 2018, the Foundation successfully delivered its work programme and continued to develop as a charitable body for the benefit of Braunstone and the City of Leicester.

#### **How our services deliver public benefit:**

The trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year.

#### Our Vision

"To be the Community Anchor for Braunstone, now and in the future, able to support our neighbourhood and its citizens to reach full potential by harnessing its strengths and responding to its needs. By making a difference."

The Foundation has continued to manage its assets to provide benefits to the local area and has, through a range of services, focused on continuing the investment made from previous regeneration investment programmes.

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# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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The Foundation has focussed on:

- ensuring that the assets held were managed and protected appropriately for the benefit of the people of Braunstone;
- maximising the income-generated from these assets and managing these funds for the benefit of Braunstone;
- attracting additional funding into the area;
- delivering services on behalf of and for the benefit of residents in Braunstone and the rest of Leicester;
- ensuring that the NDC legacy is secured and maintained; and
- continuing to ensure the urban renewal and neighbourhood regeneration process in Braunstone is sustained in the long-term.

In effect, the Foundation performed the role of a local Community Anchor Organisation.

#### Activities, achievements and performance

##### Buildings

During 2017/18 The Foundation owned and managed five key buildings, along with four houses, and also leased a sixth building from Leicester City Council on a 125 year lease arrangement. During 2017 the use of buildings was reviewed as part of an organisation wide operational review. This review resulted in the Trustees making the difficult decision to close down the full time employment and support service, due to a lack of ongoing funding. This service had been based at the Gallards Hill building for approximately 16 years.

As part of the building review a scheme of works was undertaken to carry out repairs and minor refurbishments on the Gallards Hill and Wellinger Way sites; in order to maintain the fabric of the buildings in good order and to re-purpose space to make the buildings “fit for purpose” for the teams based at them and to respond to the changing needs of the services.

Our full list of buildings are listed below:

##### Business Box

The Business Box is located in the Braunstone Business Zone (Oswin Road), and is a “managed office-space” facility with meeting rooms, Virtual Tenancy packages and a range of customer support services. The facility is operated under the activities of b inspired Trading Company Ltd. In 2017/18, it continued the trend of high occupancy, reaching 100% at various points and an upward trend in turnover.

##### Business Box +

This is made up of Units 3 & 4 Forest Business Park based in the Braunstone Business Zone and the Braunstone Park Lodge (which was brought into the investment property portfolio during 2017 following the operational review of building usage), these are seen as “grow-on” office-spaces to the Business Box. These facilities also operate under the activities of the b inspired Trading Company Limited. In 2017/18, all the buildings were fully occupied.

##### Gallards Hill

The building at Gallards Hill was re-designated during 2017 as the new home of the Sports and Physical Activities Team and Chief Officer’s office, joining the Talent Match delivery Team already based there.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### Neighbourhood Support Base

The Neighbourhood Support Base is located in the heart of the Braunstone estate on Wellinger Way. It is a shop-front building, and following redevelopment and extension work in 2010, it provides a home to some of the services delivered by the Foundation. In particular, it hosts the Neighbourhood Support Team which supports local residents and community groups and acts as a hub for local volunteers.

#### 14-20 Winforde Crescent

These properties are rented out as social housing through an agreement with PA Housing Group.

#### Braunstone Park Lodge

The Lodge was acquired in May 2009 through a 125 year lease agreement with Leicester City Council. Following major refurbishment, the Lodge was occupied by Foundation staff until April 2017, supporting a range of activities, especially around sport and physical activity and is now let on leasehold as part of the Business Box + offer.

#### **Note regarding transfer of the Braunstone Health and Social Care Centre**

The Trustees consider it prudent and relevant to note in this report that following protracted negotiations and a full legal process, we completed the transfer of a large local asset into the Braunstone Foundation on 03 July 2018. The Braunstone Health and Social Care Centre was funded and built with New Deal for Communities grant and has provided rental income since 2010 under an agreement, as a legacy of the New Deal for Braunstone. The building was owned and managed by a third party, PA Housing Group (formerly LHA and then Asra). The property underwent a full market valuation by our selected Surveyors, Innes England as part of the due diligence process for the transfer. This valuation revealed that the asset is worth £5 million. This position is noted here for the purposes of information, as the transaction fell outside the 2017/18 financial year and therefore does not form part of these Statutory Accounts. However, the acquisition of the asset will appear in the 2018/19 accounts, most likely as a Capital Endowment. As previously noted in our 2016/17 Trustee Report, this transfer to our ownership will provide a number of opportunities in relation to developing more services from the facility and increasing the income stream.

#### **Property valuation**

A full property revaluation was undertaken in June 2017 by Innes England. Overall, the Valuer was impressed by the good order and maintenance of buildings since the last valuation in 2015.

The assets gained a £105,000 uplift (4.75%) overall with residential properties the highest increase values at 21%.

#### **Services:**

The Foundation continued to provide three core services in 2017/18:

#### **Sports and Physical Activity**

This service uses sport as a socio-economic regeneration tool, engaging and working with a wide range of people and groups, through a range of projects.

We have continued to deliver on our Sport England funded project; Active Leicester: Braunstone and Rowley Fields, which was launched in February 2016 with an aim to get local people who are currently doing little or no activity, into some sort of sport and/or physical activity at least once a week, with the intention that they will progress and continue to do more.

To date, the project has delivered just over 2,200 sessions within the community, as well as over 20 community sport/physical activity events. This has seen us engage with just under 2,400 local residents, with just under 27,500 repeat attendances at our project sessions.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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Sessions have continued to be delivered throughout the week at a range of times and venues, to ensure that we can work with as many people as possible. Within these sessions, we have delivered a variety of activities, ranging from Zorb Football and Legs, Bums and Tums; to Zumba and Armchair Aerobics. We have also added activities around Street Dance and Yoga, Couch 2 5k and Family Multi-Sport.

We have continued to work in partnership with a range of local groups and organisations. Our partnership with the Braunstone Leisure Centre has enabled us to offer local residents the opportunity to access the centres facilities i.e. gym, swim and some classes, for free. This has helped to bridge the gap between local people and the centre and increased usage of the centre by local people.

We have also delivered and supported a number of community events that have involved sport and physical activity, but also with a wider view of looking at the creation of community businesses in the area. This has linked to our submission to the Leicester City Council for the 'community asset transfer' of the Braunstone Grove facility, which will allow us to expand and develop the amount of sport and physical activity opportunities we offer to local people. This has included working with 4 local football teams to come together to become a single, multi-age football club based within the Braunstone area; which would be a first for the area and would seriously increase the amount of football opportunities available to residents of all ages and abilities.

This service relates to the Foundations charitable objects a), b), c), g) and i).

#### **Apprenticeship Scheme**

During 2017/18 we once again delivered our successful Apprenticeship programme and recruited 7 Apprentices to our 6th cohort, who studied for an Advanced Level 3 programme in Supporting PE and School Sport. The Apprentices also undertook an Employment Awareness Course and a range of training with b-inspired and their schools, including First Aid, Safeguarding and Dodgeball coaching.

We are also very pleased to note that following 4 years of development, growing our expertise and service as a Sub-contractor; and after a significant amount of due diligence work, we were approved by the Education and Skills funding Agency (ESFA) to become a Primary contractor. Therefore, for the 2017/18 Academic Year cohort we have been able to draw down funds for Learners directly from the ESFA and now have the ability to sub-contract to others and be a sub-contractor. This is in relation to Apprenticeship learning and we are able to provide services to Levy and Non-Levy paying employers. This in turn means that we are now directly regulated by Ofsted and await our first full inspection (most likely in late 2018). This development is key to our plans to grow our apprenticeship offer, through an extended range of apprenticeships and in new sectors.

During 2017/18 as part of the apprenticeship programme, learners took up placements in schools across the city and county, both Primary and Secondary. All apprentices made very positive impacts on sports delivery within their schools, developing extra opportunities for pupils through lunchtime and after school clubs, assisting at external competitions and providing high quality curriculum lessons.

We are on course for a 100% pass and retention rate for this cohort. The destinations for these learners at the end of their placements are as follows:

- 4 apprentices have gained employment within their schools, with 1 of these apprentices also taking a university course alongside this.
- 2 Apprentices have gained employment with sports coaching companies
- 1 Apprentice is taking a gap year to travel before hoping to go to university

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### **Talent Match**

During 2017/18 we were also pleased to continue the work we deliver for Talent Match, through a contract with The Princes Trust as part of a citywide BIG Lottery funded project (2014-2019).

The project started in April 2014 and is an ESF and Big Lottery funded programme to support 18-24 year olds that have been Not in Employment, Training or Education for over 12 months. This year the programme has signed up 61 people, provided support with one to one provision for over 100 customers and helped 39 of them into employment with a further 17 taking on apprenticeships.

High Focus was placed on supporting the Qube Programme which Piloted in March 2018. This programme is designed to support our most vulnerable client group on the Talent Match Programme, by offering supported integrations into the work place. The young people on Talent Match have the ability and desire to work. After extensive research from the Hidden Talent Project, a model was designed that looked at adapting the working hours, adding a support mechanism and offering transport. This allowed all of the barriers that our young people had presented to be taken away.

Our staff have been on hand with supporting the young people and ensuring that they can work comfortably, confidently and become independent within their duties. 10 have signed up and currently there are 7 that have sustained 6 months employment. Further recruitment will take place during October. The Young people have developed within the job, and have learnt work, soft and social skills. The development of the young people has been fantastic and it has been wonderful to see how simple adjustments in the workplace can allow some of our longest term unemployed young people have the chance to prove their ability and thrive.

This year the Hidden Talent Programme has won the Princes Trust Regional Awards for the Community Impact Awards, the ceremony is being held in Birmingham in October.

2017 Princes Trust Talent Match Programme won the Chambers of Commerce Business and Partnership award for the Leicester Area.

This service relates to the Foundations charitable objects a), b) and c).

#### **Neighbourhood Support**

This service is based at the Neighbourhood Support office at our 45 Wellinger Way site. It provides support to local residents through informal learning methods to engage actively in their community and to volunteer. It also takes the lead in communications with the community through a range of media and delivers high quality community events.

Through its structured methodology of Neighbourhood Management it works with main service providers and other stakeholders, to empower and builds additional knowledge and skills to enable local people to do more for themselves and be involved in directly influencing local service delivery.

2017/18 was another busy year for the team. They continued to co-ordinate and support The Braunstone Neighbourhood Management Board (NMB) and maintained its balance of service providers and Residents Network members. The NMB met every six weeks and still has a membership of over 30.

Work and support has continued with the Braunstone Resident's Network, helping to train and sustain the committee, to apply for grants, fundraise and recruit new members. The commitment of Volunteers to provide weekly services has been tremendous again this last year, with 31 regular Volunteers each week, gifting an average of 184 per week. The weekly Garage Sale at 45 Wellinger Way has proved as popular as ever and has extended its opening to two afternoons per week and the first Saturday of the month, along with Pop Up shops at community venues. This offered local people the chance to buy quality used clothes and household items. All proceeds from the Garage Sale are used to subsidise trips out in the summer for older people and low income families and to sponsor local small events.

The Braunstone Foodshare initiative continued to be supported by the Neighbourhood Support Team (NST) during 2017/18 and operational review of the service resulted in it being housed permanently at the Wellinger Way Neighbourhood Support Base. Previously the scheme had operated on a two weekly cycle moving between three local venues.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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This method of working proved increasingly difficult to co-ordinate because of the logistics involved in transporting large quantities of food from venue to venue and the large amount of volunteer time required to make up food bags each time for members. We supported the committee that oversees the Foodshare to access local grant funding and now it is based in a re-furnished room at Wellinger Way that is fit for purpose and allows the member to access more easily. In addition, we have been able to introduce a new membership system which includes a more robust initial assessment and 3 monthly review process, to ensure we are meeting need and distributing the food equitably. We continue to be supported by many donors such as large Supermarkets and through a membership of FareShare (National charity set-up to stop food going to landfill and to tackle hunger) along with weekly supplies from a whole variety of donors, including the "Wonky Veg" business owner who kindly donates 10% of stock to us regularly, many local Schools, Churches, Temples and businesses collect and donate for us, as do individuals.

Despite a lack of external funding we continued to run growing projects in order to supplement supplies of fresh food to Foodshare and to provide volunteer opportunities to local people; who benefit from the great therapeutic nature of growing and being outside with meaningful occupation. We would like to thank the organisations that have supported us again during 2017/18 by providing us with growing space: Leicester College – Open Learning Centre, Cantrell Road, Braunstone; Braunstone Community Primary School and Queensmead Primary School.

Befriending and Talk Time (Older peoples Social Groups) -The NST continue to support the successful Befriending scheme for over 55's – re-launched in 2016. During the year we received 14 referrals, including: 11 women and 3 men. Of these, 2 referrals have been signposted to specialist support, two have moved into supported accommodation and sadly one has passed away during the process. Throughout the year there were 10 people receiving the befriending service resulting in total of 649 befriending hours for the year. The partnership between B-Inspired and Braunstone Blues, has meant that referrals for vulnerable older people are sent through following their routine healthy safe secure visits. Other agencies also refer, such as Age UK, British Red Cross, Royal voluntary service, social services, care navigators, housing officers, neighbours, friends and families.

2017-18 saw the Talk times at Bridges and Bowder House dismantle due to poor participant numbers. Members were signposted to the two self-sustaining Talk time groups of Sandyhurst and St Peters that are located in close proximity to the original groups. The existing Talk time groups of Sandyhurst and St Peters continue to thrive with new members joining regularly. St Peters remains increasingly popular with a typical attendance of 15-20 participants attending on a Thursday, whilst Sandyhurst maintains a steady attendance of 10-12 participants regularly attending Tuesday sessions.

Members attending Talk time sessions enjoy a fluid range of activities which are decided on by the participants attending. These activities often include bingo, quizzes, board games, art activities, card making, jewellery making, word searches, crosswords and other things. The b-inspired Sports and Physical Activities team attend weekly and bring 6 different games to suit older people, such as seated basketball and seated bowls.

Talk timers and befrienders are regularly encouraged to join community events hosted by b-inspired and local service providers provided throughout the year for older people in the community. In October, Talk timers and befrienders were invited for afternoon tea at Winstanley House to celebrate its renovation. A great time was had by all as stories of yesteryear were reminisced upon. The Braunstone Blues held their annual winter warmer in November and the year was rounded off with a Christmas get together.

A total of 1522 participation hours were recorded for members of both Talk times during the year, with a total of 892.5 hours voluntary contribution to the groups from b-inspired volunteers.

The Pride in Braunstone Campaign - initially set up in response to feedback from our 2016 Neighbourhood Action Plan. In 2017 the campaign received funding from the Braunstone Blues to start to tackle the issues of low level ASB and extensive littering in the Braunstone area. Following an 8 weeks course run by our Neighbourhood Support Team Tutor, where volunteers received training on health and safety aspects of clean ups & general safe practice (including carrying out a risk assessment), codes conduct, community engagement, Equality & Diversity and the negative impact of littering & low level ASB.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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The campaign officially launched on 14 March 2017 with the overall aim to:

- Raise awareness of low level ASB & littering in the area,
- Involve the community,
- Carry out talks in Schools,
- Tackle the worst streets in Braunstone
- Make links with the City Council cleansing Team
- Build relationships with local shop keepers

The project succeeded in carrying out a total of 31 clean ups across Braunstone and 2 days Garden makeovers. Helping those who were unable to tend to their gardens, along with an awareness raising assembly with children and staff at Braunstone Community Primary School engaging with over 400 children aged between 3 – 11 years and 40 members of staff.

This project resulted in many benefits that will continue to improve the environment in the area, including a significantly improved working relationship with Leicester City Council Cleansing Department staff and the involvement of the City Wardens. Also, an investment of resources and improved infrastructure through new Bins and increased emptying and clean-up work by LCC and PA Housing Group.

This service relates to the Foundations charitable objects a), b), c), d), e), f) g), h), i), j) and k).

#### **Other activity**

#### **BIG Potential**

During 2017/18 we completed a project as part of the BIG Lottery funded, BIG Potential programme, where we focussed in on areas where we can see the potential for market development. The project commenced in July 2017 and ran for 6 months. The funding allowed us to bring in the expertise of two consultancy firms. This assisted us to explore growth potential for our Apprenticeship Scheme and business network services to Business Box tenants and to explore Social Investment opportunities. Funds covered the costs incurred by The Braunstone Foundation in terms of Chief Officers' time, hosting meetings and Workshops and for the Consultants to carry out a market review for our growth. This was followed with assistance in developing a growth plan.

Importantly, as part of the project we had the benefit of support from another consultancy firm that specialise in helping organisations understand their impact. This resulted in us devising a Theory of Change. This process was extremely revealing and very informative. The outcome, in terms of a recorded document describing what we believe to be our Theory of Change, is a great asset and has already been very useful in helping us to plan for better impact measurement and to better articulate who we are and what we seek to do to partners, stakeholders and funders.

#### **Power to Change**

Following an initial 3 months Learning Grant from The Power to Change Trust (a BIG Lottery endowed Trust) in early 2017, we were invited to progress on to the next stage to bid for a 5 years project to realise a vision to grow and create new community businesses in Braunstone. We were successful in our application to become one of only 7 Catalyst organisation in England on the Empowering Places programme, which will provide an investment of up to £1 million between 2017 and 2022 (£650,000 grant and £350,000 in capacity support).

Our 5 Year Plan articulates a vision that recognises that local people are the best people to shape services which will benefit the local area. By harnessing the combined forces of all the players in the area, Power to Change are sure that community businesses can start up, thrive and achieve positive change for their neighbourhoods, helping to reduce inequalities.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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The Braunstone Foundation (t/a b inspired) as the catalyst and Community Anchor for Braunstone is well placed to work with local people and with support from Power to Change, to achieve some key outcomes:

- To have grown existing community businesses in Braunstone and created up to 5 new ones.
- Providing a self-supporting cluster of Community Businesses, offering a range of goods and services that local people can afford.
- To have brought into community hands at least one local asset (The Grove) that has been invested in, to provide the space for community businesses to form and grow.
- Community businesses that offer improved pathways to learning and work and increased local job opportunities.
- To have created community business solutions to help tackle the enduring health inequalities in Braunstone, promoting healthier lifestyles and access to better food.

Year 1 of the Braunstone Empowering Places project has got off to a very good start. Over 2,000 local people have already been reached and large-scale consultation on needs, ideas and interest in community business has happened. Activities to target specific groups of people in the community were delivered e.g. our “Beers and Ideas” sessions at local Working Men’s Clubs; thematic events for Young People and Family-Friendly events (e.g. Christmas Extravaganza, Easter Egg Hunt and a Shoestring Fashion Show showcasing donated quality clothes to our weekly Garage Sale).

The weekly Garage sale expanded to Pop Up shops selling Children’s clothing at Schools and other venues. October saw Community Business Weekend events, then Diversity Dinners co-funded by the CUF Near Neighbours Fund, designed to bring together local people from many ethnic backgrounds to share cooking skills and recipes over 6 weeks and host an event to showcase their learning (demonstrating the range of food that could be sold in a local Community Café and recruiting people with a passion for food to join and start developing the idea further).

#### **Moneywise Plus**

As part of the Reaching People consortium, b-inspired is funded to provide a quality and monitoring element to the Moneywise Plus project which is delivered across Leicestershire. Providing support and training to delivery organisations in order to ensure a consistent approach and the capture of outcomes.

Funded by ESIF, the contract was awarded late in 2016 and runs until December 2019. Moneywise Plus supports individuals to improve financial and digital skills recognising where they could benefit from further education and training and aims to increase employability skills.

To date, the project has engaged 623 participants over 50% of which are disabled, reducing isolation and increasing confidence by providing volunteering opportunities and supporting a range of activities such as utility switching and internet banking.

#### **Communications**

During 2017/18 we overhauled our online communication channels. We commissioned a Web Designer to create new company websites for both the charity and Business Box. Both sites were well overdue a refresh and technology has moved on considerably since those sites were created. Therefore, we have been able to have the new sites created on platforms that provide us with a more interactive experience for browsers and by having nominated staff trained (including our new Communication and Project Support Worker), we can keep the websites completely up to date in-house. In addition, we are actively analysing our website and Social Media channels and gathering much better insight on the numbers and range of users and the success of our postings. Our Social Media presence has been updated significantly and we now operate a company Facebook page and Twitter account, with increasing numbers of followers. We are improving our use of online media to boost information about regular activities and events.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2018**

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### Financial review

#### Overview

The Trustees have considered the financial position of the charity for the year-ended 31<sup>st</sup> March 2018 and are pleased to present accounts showing a positive net movement in funds after taking into consideration the £55,000 actuarial gain on the defined benefit pension scheme.

We posted a deficit on our restricted funds which was planned for and we will articulate later. The deficit arises because of the need to utilise resources within our restricted funding to bring some areas nearer to completion of the required outcomes.

The statement of financial activities shows a total income of £1,049,720 and expenditure of £1,078,911. This provides a deficit of £29,191 for the year before the gains on the actuarial valuation of the defined benefit scheme.

#### Pension Scheme Provision

For many years The Braunstone Foundation has made significant payments into a Multi-Employer Pension Scheme (SHPS) on behalf of its employees and retirees. In order to meet certain shortfalls within that defined benefit scheme there has been significant increases in costs emanating from the type of schemes they are and because of insufficient returns on investments.

Under the past prevailing legislation it was not necessary to account for the shortfall that the company had to make good because of the nature of the scheme. However, because Multi-Employer Pension Scheme deficits now have to be accounted for under FRS102 – there has been a major impact on the accounts over the last three years.

As we have reported already this year there is a £55,000 actuarial gain on the defined benefit pension scheme. Whilst this year is favourable that will not always be the case.

The deficit position which is shown under provisions and liabilities in the Balance Sheet is £395,000.

It is worth noting that the Charity has taken considerable advice in respect of the defined benefit scheme with SHPS. The defined benefit scheme has been closed to new members for some time. We have taken the necessary steps to move from a defined benefit to a defined contribution scheme. We have transferred the 3 active members into a Defined Contribution scheme. Therefore, protecting its exposure to further accrual.

However as past benefits are protected and retirees needs crystallised we still need to show the deficits and movements within the accounts.

Note 18 provides substantial details of the pension scheme.

#### Conclusion

For the year ended 31 March 2018 we are happy to report a positive net movement in funds of £25,809 albeit reliant upon the £55,000 actuarial gain on the defined benefit pension scheme.

This means the Charitable Company has £2,189,223 of total funds carried forward.

These funds are split between the unrestricted funds and the restricted funds - see statement of financial activities on page 16.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### Reserves Policy

The Board has a strategy towards the holding of reserves. We endeavour to hold in free unrestricted reserves up to six months operating costs to cover payments to staff (i.e. notice periods of 3 months and redundancy costs), premises costs, contract/lease liability costs and legal costs.

This approach is based on an understanding of the income streams and their risk profile and excludes expenditure related to operations wholly funded by restricted funds.

The trustees estimate normal ongoing annual costs to be between £600,000 and £800,000 per year.

The trustees estimate that reserves at a level of approximately £400,000 would ensure that, in the event of a significant drop in funding, they would be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The charity had closing unrestricted reserves of £2,047,541 as at the 31 March 2018. So without further review this looks very healthy.

However we need to consider this in relation to the type of assets held which makes up the unrestricted funds.

Of the assets held in Unrestricted Funds of £2,047,541 a significant amount are held in Property, Plant and Equipment and Properties held as Fixed Asset Investments. £902,504 is found in Property, Plant and Equipment, and £1,430,000 is in Properties held as Fixed Asset Investments. So these are not readily convertible into cash in a quick space of time – although available should the need arise.

In Free unrestricted funds we have net current assets of £110,036 whilst the pension liability of £395,000 is directly matched against these funds.

The charity has a strategy to see us build up cash reserves to enable us to build up assets within unrestricted funds that are more liquid.

A key element of this is surplus funds being generated in our trading subsidiary and being donated into the charity. These cash sums have been paid over and it is lifting our unrestricted liquid assets to cover unexpected contingencies which helps us to achieve our stated aims.

#### **Risk Review**

The Board conducts its own review of the major risks each year through its Business Planning process. As with most charities, this exposes risks and systems have been established to mitigate those risks. External risks have been managed through a robust business plan that was flexible and adaptable, yet still ambitious. Internal risks were minimised by adherence to its Financial Regulations, Policies and Procedures, along with updates to its HR Policies.

The main risks are deemed to be:

- Should The Braunstone Foundation exhaust its operating reserves - then it might be unable to meet its commitments.
- The loss of staff/Board Directors members in key operational and strategic roles could potentially have an adverse impact on the organisation.
- Should additional income not be secured then insufficient resources would be available to maintain the current level of staff and resources.
- Competition for grant funding will become fiercer as levels of public spending decline.
- Failure to deliver these contracts would result in both a financial loss and damage to the reputation of the company

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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Senior management report performance against the Business Plan for all services at every Board meeting and a quarterly review of financial performance and progress against targets is reported through to the Board of Trustees, via the Finance and General Purposes Committee.

#### Plans for Future Periods

The Board of Trustees considers it prudent to grow trading income in the following year and beyond; in order to provide increased donations to the charity and thus reduce the pressure on reserves to meet the shortfalls. In addition, the 2016 to 2019 Business Plan shows growth in grant and contract funding leading to surpluses year on year.

In terms of other financial and operational developments, during 2018/19 the Board of Trustees aim to maximise the benefit opportunities of our ownership of the Braunstone Health and Social Care Centre. It is hoped that closer working relationships can be forged with the key health service providers in the city, in order that more community-based health and wellbeing services can be developed from the site. In addition, we aim to increase the net rent returns from the building now that management of the building is in-house.

In addition, during 2018 we intend to secure a 25 years lease upon the Braunstone Grove building and a licence on the adjoining Football pitches from Leicester City Council. This development will provide the facilities needed to extend our current Sports and Physical Activities service and grow our Apprenticeship offer. By attracting capital and revenue investment in 2018/19 to re-design, refurbish and develop the facilities inside and outside, we will be responding to the expressed needs of the local community. Our vision is for a self-sustaining Community Hub housing a wide range of community-led businesses and services and a home to local sports and leisure groups for years to come.

#### Structure, governance and management

The charity is a company limited by guarantee. The Charity Commission awarded the Braunstone Foundation with charitable status on 29 December 2010. As a condition, it was agreed to develop a "group structure", with the establishment of a 100% owned trading subsidiary of the Foundation, to undertake the non-charitable activities. This was undertaken and put in place, so that from 1 April 2011, the Foundation can concentrate solely on its charitable activities and the trading company B-Inspired (Trading) Ltd, can manage the commercial activities and undertakings.

The trustees, who are also the directors for the purpose of company law, and who served during the year are shown below. Prior to the formation of the Braunstone Foundation charity in 2010, a number of the following Trustees were previously long-standing Directors of Braunstone Community Association (BCA) and were transferred to Trusteeship of the Braunstone Foundation in 2010 (Gwendolen Abraham, Pauline Hurd and Anthony Russell). The appointment dates shown below are the dates at which those Trustees were re-appointed under the new charitable body at the four years re-election point:

Gwen Abraham MBE (Retired as Chair 6 <sup>th</sup> July 2015)	Re-appointed 13 <sup>th</sup> April 2015
Michael Cooke (Elected Chair 6 <sup>th</sup> July 2015)	Re-appointed 13 <sup>th</sup> May 2015
Imogen Gordon	Resigned 20 <sup>th</sup> November 2017
Pauline Hurd	Re-appointed 20 <sup>th</sup> November 2017
Henry Thompson (Palmer's of Leicester Representative)	Appointed 1 <sup>st</sup> December 2014
Keith Beaumont	Appointed 1 <sup>st</sup> December 2016
Elaine Halford (LCC Representative)	Appointed 4 <sup>th</sup> April 2016
Rev Keith Magee	Appointed 5 <sup>th</sup> December 2016

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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The charity is organised so that the trustees (together forming a board of trustees) meet regularly (4 times during 2017/18) to manage the charity's affairs. In addition, a standing Committee is in place to provide governance in Finance and General Purposes (Chaired by the Vice Chair of Trustees). A Remuneration sub-committee is formed from the F&GP Committee and a Human Resources Committee is formed as and when required.

#### Trustee recruitment and induction

The Chief Officer takes responsibility for induction to the charity for new Trustees and organises any training as required.

The Trustees are also Directors of the Company for the purposes of Company Law. Trustees have a tenureship of 4 years.

During 2018 one of our Independent Trustees, Imogen Gordon, resigned as she retired from work and moved away from the area. The Board of Trustees wishes to note their thanks to Imogen for her time and commitment to the work of the Braunstone Foundation, over the years she served as a Trustee.

#### Setting pay and remuneration

Trustees do not receive remuneration only reimbursement of reasonable of out of pocket expenses necessary in the carrying out of their duties.

Staff pay and remuneration is set by the Board of Trustees through the work of its Remuneration sub-committee, which reports to it's the F&GP Committee and up to the Board of trustees.

The Board of Trustees is pleased to note that during 2017 a review of how staff pay and remuneration is implemented was undertaken. This resulted in the creation of a comprehensive Behavioural Competencies Framework and accompanying new appraisal methodology. These developments have provided a foundation for a new Reward and Recognition Scheme for all staff (excluding the Senior Management Team, whose remuneration is dealt with directly by the Remuneration Sub-Committee). This new scheme was approved in October 2017 and has been implemented in 2018. It provides for a fair and equitable system, rewarding staff on their performance in core competencies required for their individual role.

In addition to this, the Board of Trustees made a new commitment to agree a Cost of Living Adjustment (COLA) annually, as part of the budget-setting process

#### MEMBERS – During 2017/18

Braunstone Resident Network

Clockwise Credit Union

Friends of Highway Spinney

Leicester City Council

ASRA Housing Group

NHS Leicester City

St Peters Church

New Dawn New Day

Palmers of Leicester Ltd.

# THE BRAUNSTONE FOUNDATION

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### **Employee involvement**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Statement of trustees responsibilities**

The trustees, who are also the directors of The Braunstone Foundation for the purpose of company law, are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Mayfield & Co. be reappointed as auditor of the company will be put at a General Meeting.

The trustees report was approved by the Board of Trustees.

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**Pauline Hurd**  
Trustee

Dated: 19 November 2018

# THE BRAUNSTONE FOUNDATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE BRAUNSTONE FOUNDATION

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We have audited the accounts of The Braunstone Foundation for the year ended 31 March 2018 set out on pages 16 to 35. 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), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees responsibilities set out on pages 1 - 13, the trustees, who are also the directors of The Braunstone Foundation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, 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.

# THE BRAUNSTONE FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE BRAUNSTONE FOUNDATION

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the accounts are not in agreement with the accounting records and returns; or
- 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 accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

19 November 2018

**MR DAVID MAYFIELD FCA (Senior Statutory Auditor)**

for and on behalf of Mayfield & Co.

**Chartered Accountants**

**Statutory Auditor**

2 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

Mayfield & Co. is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# THE BRAUNSTONE FOUNDATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>					
Donations and legacies	3	29,654	261,643	291,297	246,736
Charitable activities	4	758,133	-	758,133	876,319
Investments	5	290	-	290	312
<b>Total income</b>		<b>788,077</b>	<b>261,643</b>	<b>1,049,720</b>	<b>1,123,367</b>
<b>Expenditure on:</b>					
Charitable activities	7	439,452	304,903	744,355	763,466
Cost of generating funds	7	334,556	-	334,556	327,997
<b>Total expenditure</b>		<b>774,008</b>	<b>304,903</b>	<b>1,078,911</b>	<b>1,091,463</b>
Net gains on investments	10	-	-	-	15,000
<b>Net incoming/(outgoing) resources</b>		<b>14,069</b>	<b>(43,260)</b>	<b>(29,191)</b>	<b>46,904</b>
<b>Other recognised gains and losses</b>					
Revaluation of tangible fixed assets		-	-	-	197,941
Actuarial gain/(loss) on defined benefit pension schemes		55,000	-	55,000	30,000
<b>Net movement in funds</b>		<b>69,069</b>	<b>(43,260)</b>	<b>25,809</b>	<b>274,845</b>
Fund balances at 1 April 2017		1,978,472	184,942	2,163,414	1,888,569
<b>Fund balances at 31 March 2018</b>		<b>2,047,541</b>	<b>141,682</b>	<b>2,189,223</b>	<b>2,163,414</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE BRAUNSTONE FOUNDATION

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		902,504		1,064,408
Investment properties	12		1,430,000		1,280,000
			<u>2,332,504</u>		<u>2,344,408</u>
<b>Current assets</b>					
Debtors	15	46,236		100,596	
Cash at bank and in hand		407,753		367,893	
		<u>453,989</u>		<u>468,489</u>	
<b>Creditors: amounts falling due within one year</b>	16	(202,270)		(199,483)	
Net current assets			<u>251,719</u>		<u>269,006</u>
<b>Total assets less current liabilities</b>			<u>2,584,223</u>		<u>2,613,414</u>
<b>Provisions for liabilities</b>	17		(395,000)		(450,000)
<b>Net assets</b>			<u>2,189,223</u>		<u>2,163,414</u>
<b>Income funds</b>					
Restricted funds	19		141,682		184,942
<u>Unrestricted funds</u>					
General unrestricted funds	20	2,442,541		2,428,472	
Pension reserve		(395,000)		(450,000)	
		<u>2,047,541</u>		<u>1,978,472</u>	
			<u>2,189,223</u>		<u>2,163,414</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

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

The accounts were approved by the Trustees on 19 November 2018

.....  
Michael Cooke - Trustee  
Company Registration No. 04029394

# THE BRAUNSTONE FOUNDATION

## CHARITY BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		902,504		1,064,408
Investment properties	12		1,430,000		1,280,000
Investments	13		1		1
			<u>2,332,505</u>		<u>2,344,409</u>
<b>Current assets</b>					
Debtors	15	9,866		75,814	
Cash at bank and in hand		347,459		303,974	
		<u>357,325</u>		<u>379,788</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(105,607)</u>		<u>(110,783)</u>	
Net current assets			<u>251,718</u>		<u>269,005</u>
<b>Total assets less current liabilities</b>			<u>2,584,223</u>		<u>2,614,414</u>
<b>Provisions for liabilities</b>	17		<u>(395,000)</u>		<u>(450,000)</u>
<b>Net assets</b>			<u>2,189,223</u>		<u>2,163,414</u>
<b>Income funds</b>					
Restricted funds	19		141,682		184,942
<u>Unrestricted funds</u>					
General unrestricted funds	20	2,442,541		2,428,472	
Pension reserve		<u>(395,000)</u>		<u>(450,000)</u>	
			<u>2,047,541</u>		<u>1,978,472</u>
			<u>2,189,223</u>		<u>2,163,414</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

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

The accounts were approved by the Trustees on 19 November 2018

.....  
Michael Cooke - Trustee  
Company Registration No. 04029394

# THE BRAUNSTONE FOUNDATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

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	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	27		39,569		(33,653)
Income taxes refunded			1		-
			<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>			39,570		(33,653)
<b>Investing activities</b>					
Interest received		290		312	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			290		312
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			39,860		(33,341)
Cash and cash equivalents at beginning of year			367,893		401,234
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>407,753</u>		<u>367,893</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

##### Charity information

The Braunstone Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Business Box, 3 Oswin Road, Braunstone, Leicester, LE3 1HR.

##### 1.1 Basis of preparation

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

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiary B-Inspired (Trading) Limited. The results of the subsidiary are consolidated on a line by line basis.

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

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

These accounts for the year ended 31 March 2018 are the first accounts of The Braunstone Foundation prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland

##### 1.2 Going concern

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

##### 1.3 Charitable funds

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

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

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

##### 1.4 Income

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

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

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

##### 1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Support costs are those costs incurred directly in support of expenditure and the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance, with constitutional and statutory requirements.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	1% per annum of cost for buildings; land is not depreciated
Fixtures, fittings & equipment	15% per annum reducing balance basis

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

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

##### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

##### 1.9 Impairment of fixed assets

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

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

##### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.11 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1 Accounting policies

##### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.13 Retirement benefits

The charity has been admitted to the Social Housing Pension Scheme, a defined benefit scheme, which is externally funded and contracted out of the State Earnings Related Pension Scheme. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. The scheme operates on a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the charity. Under the terms of FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid throughout the year.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

##### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

##### 1.15 Company Status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event the charity being to wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### 1.16 Capital Items

Items below a value of £1,000 are considered revenue cost and are charged against income at time of purchase.

#### 2 Critical accounting estimates and judgements

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

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

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# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and legacies	1,536	-	1,536	3,441
Grants receivable	28,118	261,643	289,761	243,295
	<u>29,654</u>	<u>261,643</u>	<u>291,297</u>	<u>246,736</u>
<b>For the year ended 31 March 2017</b>	<u>76,757</u>	<u>169,979</u>		<u>246,736</u>

#### Donations and legacies

Other donations received	1,536	-	1,536	780
Donations from Braunstone Resident Network Committee	-	-	-	1,750
Donations from Braunstone Foodshare Committee	-	-	-	911
	<u>1,536</u>	<u>-</u>	<u>1,536</u>	<u>3,441</u>

#### Grants receivable for core activities

Sport England	-	68,265	68,265	100,359
Big Potential	-	29,160	29,160	-
Big Lottery - Talent Match	-	88,613	86,613	69,620
Power to Change Grant	-	75,605	75,605	9,922
Leicester City Council and European Regional Development Fund	-	-	-	674
Leicestershire County Council - Community Grant	-	-	-	30,000
Near Neighbours Grant	-	-	-	4,770
Leicester City Council	6,768	-	6,768	12,450
Braunstone Blues - Pride in Braunstone and Befriending	21,350	-	21,350	15,500
	<u>28,118</u>	<u>261,643</u>	<u>289,761</u>	<u>243,295</u>

### 4 Charitable activities

	2018	2017
	£	£
ASRA Housing Group Health Centre Income	264,000	282,089
Other income	96,666	136,306
Advertising income	3,295	4,287
Rent and room hire	394,172	453,637
	<u>758,133</u>	<u>876,319</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 5 Investments

	2018	2017
	£	£
Interest receivable	290	312

### 6 Net income/(expenditure)

	2018	2017
	£	£
This is stated after charging:		
Directors' expenses	737	686
Auditors' remuneration	8,000	8,000
Accountancy	8,000	8,000
Depreciation – Owned assets	11,904	13,905

### 7 Expenditure

#### Charitable activities

	Charitable Activities Unrestricted	Charitable Activities Restricted	Total 2018	Total 2017
	£	£	£	£
Staff costs	273,399	215,891	489,290	549,411
Depreciation and impairment	11,904	-	11,904	13,905
Premises costs	57,093	10,044	67,137	59,874
Motor and travel	4,379	1,998	6,377	6,824
Legal and professional fees	13,275	30,841	44,116	26,494
Project activity and equipment costs	3,822	31,532	35,354	24,056
Supplies and services	3,687	9,758	13,445	26,004
Irrecoverable input vat	17,244	4,839	22,083	9,800
Bad debts	3,064	-	3,064	(7,123)
	387,867	304,903	692,770	709,245
Share of governance costs (see note 7)	51,585	-	51,585	54,221
	439,452	304,903	744,355	763,466

#### Cost of generating funds

	Unrestricted	Restricted	Total 2018	Total 2017
	£	£	£	£
Staff costs	186,818	-	186,818	176,804
Premises costs	79,974	-	79,974	70,199
Motor and travel	285	-	285	1,048
Legal and professional fees	3,975	-	3,975	5,450
Supplies and services	63,504	-	63,504	74,496
	334,556	-	334,556	327,997

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 7 Expenditure

#### Support Costs

	Support costs	Governance costs	2018	2017	Basis of allocation
	£	£	£	£	
Staff costs	-	35,585	35,585	38,221	
Audit and accountancy fees	-	16,000	16,000	16,000	Governance
	<u>-</u>	<u>51,585</u>	<u>51,585</u>	<u>54,221</u>	
Analysed between Charitable activities	-	51,585	51,585	54,221	
	<u>-</u>	<u>51,585</u>	<u>51,585</u>	<u>54,221</u>	

Governance costs includes payments to the auditors of £8,000 (2016- £8,000) for audit fees.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but three of the trustees were reimbursed a total of £737 (2017- £686 for two trustees) for expenses incurred in respect of carrying out the business of the charity.

### 9 Employees

#### Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
	<u>33</u>	<u>37</u>
<b>Employment costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	590,090	645,428
Social security costs	45,290	44,098
Other pension costs	76,313	74,910
	<u>711,693</u>	<u>764,436</u>

There were no employees whose annual remuneration was £60,000 or more.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 10 Net gains/(losses) on investments

	2018	2017
	£	£
Revaluation of investment properties	-	15,000

#### 11 Tangible fixed assets (Group and Charity)

	Land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2017	1,035,000	399,809	1,434,809
Transfer to investment property	(150,000)	-	(150,000)
At 31 March 2018	885,000	399,809	1,284,809
<b>Depreciation and impairment</b>			
At 1 April 2017	-	370,401	370,401
Depreciation charged in the year	7,494	4,410	11,904
At 31 March 2018	-	374,811	382,305
<b>Carrying amount</b>			
At 31 March 2018	877,506	24,998	902,504
At 31 March 2017	1,035,000	29,408	1,064,408

#### 12 Investment property (Group and Charity)

	2018 £
<b>Fair value</b>	
At 1 April 2017	1,280,000
Transfers from owner occupied properties	150,000
At 31 March 2018	1,430,000

Investment property comprises the Business Box and the Business Box + and Park Lodge. The fair value of the investment property has been arrived at on the basis of a valuation carried out on 3rd July 2017 by Innes England Chartered Surveyors, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 13 Fixed asset investments (Charity)

	<b>Other investments</b>
<b>Cost or valuation</b>	
At 1 April 2017 & 31 March 2018	1
<b>Carrying amount</b>	
At 31 March 2018	1
At 31 March 2017	1

	<b>Notes</b>	<b>2018</b>	<b>2017</b>
Other investments comprise:		<b>£</b>	<b>£</b>
Investments in subsidiaries	<b>26</b>	1	1

### 14 Financial instruments

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	45,538	126,222
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	176,789	241,648

### 15 Debtors

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	46,236	74,827	4,076	24,419
Amounts due from subsidiary undertakings	-	-	5,790	42,202
Other debtors	-	25,769	-	9,193
	<u>46,236</u>	<u>100,596</u>	<u>9,866</u>	<u>75,814</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 16 Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade creditors	32,954	15,224	5,689	2,809
Other taxation and social security	5,736	37	24,736	-
Other creditors	148,792	156,089	60,394	93,484
Accruals and deferred income	14,788	28,133	14,788	14,490
	<u>202,270</u>	<u>199,483</u>	<u>105,607</u>	<u>110,783</u>

#### 17 Provisions for liabilities

	Notes	2018 £	2017 £
Retirement benefit obligations		395,000	450,000
		<u>395,000</u>	<u>450,000</u>

#### 18 Defined Benefit Pension Scheme

The Braunstone Foundation participates in the Social Housing Pension Scheme (SHPS), a multi-employer pension scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not been possible for the company to obtain sufficient information to enable it to accounts for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

##### Defined Contributions

Tier 1	£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1st April)
Tier 2	£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1st April)
Tier 3	£32.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)
Tier 4	£31.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 18 Defined Benefit Pension Scheme

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

#### Present Values of Provision

	31 March 2018 (£000s)	31 March 2017 (£000s)	31 March 2016 (£000s)
Present Value of Provision	395	450	480

#### Reconciliation of Opening and Closing Provisions

	Period Ending 31 March 2018 (£000s)	Period Ending 31 March 2017 (£000s)
Provision at start of period	450	480
Unwinding of the discount factor (interest expense)	5	9
Deficit contribution paid	(54)	(53)
Remeasurements - impact of any change in assumptions	(6)	14
Remeasurements - amendments to the contributions schedule	-	-
Provision at end of period	395	450

#### Income and Expenditure Impact

	Period Ending 31 March 2018 (£000s)	Period Ending 31 March 2017 (£000s)
Interest expense	5	9
Remeasurements - impact of any change in assumptions	(6)	14
Remeasurements - amendments to the contributions schedule	-	-
Contributions paid in respect of future service *	*	*
Costs recognised in income and expenditure account	*	*

\* Includes defined contribution schemes and future service combinations (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

#### Assumptions

	31 March 2018 % per annum	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	1.72	1.33	2.06

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# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 18 Defined Benefit Pension Scheme

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year-end period:

#### Deficit Contributions Schedule

Year ending	31 March 2018 (£000s)	31 March 2017 (£000s)	31 March 2016 (£000s)
Year 1	56	54	53
Year 2	58	56	54
Year 3	54	58	56
Year 4	49	54	58
Year 5	50	49	54
Year 6	46	50	49
Year 7	42	46	50
Year 8	44	42	46
Year 9	22	44	42
Year 10	-	22	44
Year 11	-	-	22

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet.

#### Defined Contribution Pension Scheme

The Braunstone Foundation participates in the Social Housing Pension Scheme (SHPS) with membership split between a Final Salary 60th Scheme (Defined Benefit - DB), and two Defined Contribution Schemes (DC), one of which is used for auto enrolment. The Braunstone Foundation was assessed as 'Higher Risk' and as such this resulted in a requirement to close the Defined Benefit (DB) section of SHPS to accrual and move existing members over to the Defined Contribution (DC) section of SHPS by 30th September 2017.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2017	Movement in funds		Balance at 31 March 2018
		Income	Expenditure	
	£	£	£	£
Sport England	149,963	68,265	(145,898)	72,330
Big Lottery - Talent Match	30,623	88,613	(80,350)	38,886
Other Grants	4,356	-	-	4,356
Big Potential	-	29,160	(22,171)	6,989
Power to Change	-	75,605	(56,484)	19,121
	<u>184,942</u>	<u>261,643</u>	<u>(304,903)</u>	<u>141,682</u>

#### Sport England

The organisation received substantial Sport England grants for the delivery of community based projects pertaining to sport and physical activity. Following the successful delivery of those projects a Sports Development Plan was written and subsequently approved by Sport England, which enabled "surplus" funds to be "ring-fenced" in order to deliver future activities in the field of sport and physical activity.

#### Big Lottery - Talent Match

New project started on 20th November 2014 to delivery certain services for the benefit of certain Young People 2017/18 £88,613 (2016/17 £69,620).

#### 20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2017	Movement in funds			Balance at 31 March 2018
		Income	Expenditure	Other recognised gains and losses	
	£	£	£	£	£
Unrestricted funds	1,978,472	439,688	(425,619)	55,000	2,047,541
	<u>1,978,472</u>	<u>439,688</u>	<u>(425,619)</u>	<u>55,000</u>	<u>2,047,541</u>

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 21 Analysis of net assets between funds - Group

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 31 March 2018 are represented by:			
Tangible assets	902,504	-	902,504
Investment properties	1,430,000	-	1,430,000
Current assets/(liabilities)	110,037	141,682	251,719
Provisions and pensions	(395,000)	-	(395,000)
	<u>2,047,541</u>	<u>141,682</u>	<u>2,189,223</u>

### Analysis of net assets between funds - Charity

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 31 March 2018 are represented by:			
Tangible assets	902,504	-	902,504
Investment properties	1,430,000	-	1,430,000
Investments	1	-	1
Current assets/(liabilities)	110,036	141,682	251,718
Provisions and pensions	(395,000)	-	(395,000)
	<u>2,047,541</u>	<u>141,682</u>	<u>2,189,223</u>

### 22 Financial commitments, guarantees and contingent liabilities

#### PENSION

The charity currently participates in the Social Housing Pension Scheme (SHPS), which as indicated in note 18 has a shortfall of assets compared to liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised of £395,000 is the net present value of the deficit reduction contributions payable under the arrangement that relates to the deficit. The present value is calculated using the discount rate detailed in note 18. The unwinding of the discount rate is recognised as a finance cost.

### 23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Between two and five years	<u>4,034</u>	<u>4,034</u>

The operating leases represent leases totalling £4,034 to third parties. The leases are negotiated over terms of 5 years and rentals are fixed for 5 years. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2018**

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### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	116,179	114,839

During the year various transactions took place between The Braunstone Foundation and B-Inspired (Trading) Limited, a wholly owned subsidiary. The subsidiary is a trading arm of the charity and runs the Business Box, receiving income from tenants. At the balance sheet date £5,790 (2016: £42,202) was owed to the charity by B-Inspired (Trading) Limited.

The charity has a very good working relationship with Leicester City Council and PA Housing, both of which are also Members of the Foundation.

In respect of Leicester City Council, the organisation has been commissioned to deliver a range of contracts on their behalf, and in addition, received various grants to deliver a number of specific projects. During the year, the charity received grants totalling £6,768 from the Leicester City Council (2017: £12,450).

In relation to PA Housing, various contractual arrangements have been agreed which ensures that they provide services directly for the Foundation, for example, managing properties and providing payroll services. The cost of this was £4,650 (2017: £2,500).

In addition, a number of legal agreements have been signed between both parties that ensures that the Foundation is provided with the "net surplus income" generated by the Health & Social Care Centre and the aforementioned properties. This was £264,000 (2017: £282,089).

### 25 Transfers

Restatement of fixed assets - The trustees consider upon reviewing a document received from the Department for Communities and Local Government (DCLG) it is now clear that the asset clawback provisions of the New Deal for Communities Programme (NDC) do not apply to the Foundation and the restriction on land and buildings assets no longer applies. Accordingly a transfer of those assets from restricted funds was made during the year ended 31st March 2015 amounting to £2,152,725.

# THE BRAUNSTONE FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2018**

### 26 Subsidiaries

Details of the charity's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
B-Inspired (Trading) Ltd	England	Rental of office space	Ordinary	100.00	

The charity owns the whole of the issued ordinary share capital of B-Inspired (Trading) Ltd, a company registered in England. All activities have been consolidated on a line by line basis in the SOFA. Any total net profits will be gifted to the charity. A Summary of the results of the subsidiary is shown below:

#### B-Inspired (Trading) Limited

	2018	2017
	£	£
Income	431,072	530,673
Administrative expenses	(431,072)	(530,673)
Net profit/(loss)	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	102,454	130,903
Liabilities	(102,453)	(130,902)
Funds (representing 1 ordinary share of £1)	<u>1</u>	<u>1</u>

### 27 Cash generated from operations

	2018	2017
	£	£
(Deficit)/Surplus for the year	(29,191)	46,904
Adjustments for:		
Investment income recognised in statement of financial activities	(290)	(312)
Fair value gains and losses on investment properties	-	(15,000)
Depreciation and impairment of tangible fixed assets	11,904	13,905
Taxation charged	9	9
Movements in working capital:		
Decrease in debtors	54,360	120,014
Increase/(Decrease) in creditors	2,777	(199,173)
<b>Cash generated from/(absorbed by) operations</b>	<u>39,569</u>	<u>(33,653)</u>