

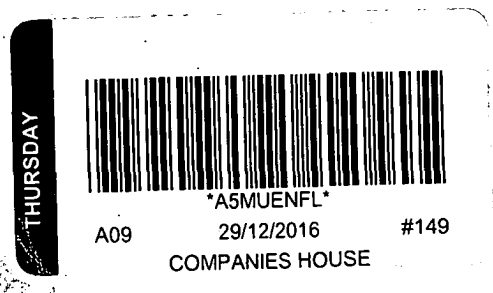
Charity Registration No. 1067535

Company Registration No. 03195860 (England and Wales)

**BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**



# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr J A Flynn Ms K Davies Mr J Matthews
<b>Charity number</b>	1067535
<b>Company number</b>	03195860
<b>Registered office</b>	The Feel Good Factory Abercynon Road Ynysboeth MOUNTAIN ASH Rhondda Cynon Taff UK CF45 4XZ
<b>Independent examiner</b>	Broomfield & Alexander Limited Waters Lane Chambers Waters Lane NEWPORT UK NP20 1LA

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# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

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# **BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED**

## **CHARITY REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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The trustees present their report and accounts for the year ended 31 March 2016.

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) (effective 1 January 2015)"

### **Objectives and activities**

The purpose of Bryncynon Community Revival Strategy is set out in the Mission Statement and states:

The charity's objects are to provide facilities in the interests of the advancement of education and social welfare with the purpose of improving the condition and quality of life for residents of Bryncynon in the Rhondda Cynon Taff area.

### **Public benefit**

During the year the trustees have paid due regard to the guidance issued by the Charity Commission with regards to public benefit in deciding which activities the Charity needs to undertake. Our main activities and beneficiaries of those activities are described below. All of our charitable activities focus on helping the community and serves to further our charitable purposes for public benefit.

During the period 2015-2016, the organisation's objectives were as follows:

#### **• Strategic objectives**

- Increase levels of income generation in all areas of works to secure unrestricted funding to ensure the sustainability of the organisation
- Secure grant funding to maintain and explore ways of expanding current provisions
- Continue to build on good practice by maintaining, and where necessary, by improving standards
- Promote the work of the organisation locally, regionally and nationally
- Develop and improve partnership working to improve the provisions provided by the strategy

#### **• Healthy Living/Feel Good Factory Objectives**

- To continue to utilise the Feel Good Factory as a resource and support centre for the community
- To continue to provide and look to support new services being delivered from the centre
- Support ways of generating income from the Feel Good Factory in addition to the room hire facility available to local organisations

#### **• Finance Objectives**

- Facilitate the development of Bryncynon Community Revival Strategy Ltd
- Contribute towards the smooth running of the organisation via streamlining of finance and administration functions
- Best use of all of Bryncynon Strategy's assets to generate maximum income

# **BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED**

## **CHARITY REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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- **Youth Objectives**

- Increase the level of youth provision locally through additional staff, extended opening hours and bespoke youth facility
- Ensure the smooth running and personal development of the youth team through good communication and administration
- Work in partnership with school cluster to provide enhanced youth activity programme
- Develop positive links between young people and local police
- Work with young people affected by drug and alcohol related issues

- **Early Years Objectives**

- Continue to successfully deliver the Flying Start Provision, offering a full provision under this agenda
- Promote and teach healthy lifestyle amongst 0-5s and their parents
- Maintain regular playgroup and playscheme provisions in the community
- Generate income through developing activities at the Growing Together Centre and at other centres
- Continue to improve the service provided through a programme of staff training and personal development

- **Café Objectives**

- Continue the success of the café following a re-launch
- Expand the buffet and delivery service to help generate additional income
- Promote and market the café throughout Rhondda Cynon Taff and beyond
- Include more trainees and volunteers in the Café and help them to develop their skills

- **Administration and IT Objectives**

- Maintain efficient administration, personnel and IT provision
- Co-ordinate and monitor volunteering within the organisation
- Ensure effective staff training and development across all areas of Bryncynon Community Revival Strategy Ltd

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# **BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED**

## **CHARITY REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2016**

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#### **Achievements and performance**

This year has seen the finalising of the restructure of staff at Bryncynon Community Revival Strategy Ltd, reducing the staffing levels to fit in with the level of funding and income generated for the organisation. This has resulted in the reduction of activities taking place in the charity, allowing the organisation to focus on delivering it's key services effectively and well.

The reduction in staffing and operational costs has allowed the organisation to take a strong control on it's finances and secure the future of the organisation.

Bryncynon Community Revival Strategy has continued to deliver successfully its Flying Start provision through 3 centres, as part of a good quality, well respected and essential service for the local community. This is complimented well with our Play Scheme situated at the Feel Good Factory.

In conjunction with Communities First and Children in Need, Bryncynon Community Revival Strategy has continued to provide a Youth Provision to the local community, based at both our own Youth Club centre, as well in sites at Perthcelyn and Penrhiwceiber.

The Feel Good Factory continues to prove to be an essential hub in the community, providing a range of services for the local community including a number of Community First provisions, community nurse services and a community café. The Café has re-launched after a refurbishment, providing an excellent meeting space for local residents. Providing a buffet service to local businesses has continued to grow under a new, improved reputation.

#### **Financial review**

##### **Results for the year**

Income for the year was £311,495, down from £576,265 in 2015. Expenditure for the year was £520,603, down from £720,318 in 2015. The overall deficit for the year was £209,107.

##### **Reserves policy**

It is the policy of the Charity to generate and maintain funds in order that it is able to maintain its operations for the foreseeable future, aiming for a minimum of 12 months full operating costs in reserves. Unrestricted funds are generated in order to cover expenditure not covered by other specific grants and any short term funding shortfalls which may occur from time to time.

The free reserves of the Charity at 31 March 2016 (unrestricted reserves less fixed assets, investments properties and designated funds) amounted to £52,806 (2015: £72,057).

##### **Principle funding sources**

The principle funding sources of Bryncynon Community Revival Strategy Ltd for the year ended 31 March 2016 are Flying Start funding; Communities First funding and a Children In Need grant.

##### **Investment policy and objectives**

The Charity is taking advice on the most appropriate policy for investing surplus funds which may arise from time to time and consider that an interest bearing deposit account is suitable for holding such funds.

All projects have an exit strategy and there is a continual review and search for further funding for sustainability eventually leading to less grant dependency.

The trustees are responsible for safeguarding the charity's assets and ensuring their proper application in accordance with charity law and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

##### **Structure, governance and management**

###### **Governing document**

The Charity is controlled by its governing document, Memorandum and Articles of Association, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by The Companies Act 2006. The Charity was incorporated on 8 May 1996.

# **BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED**

## **CHARITY REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr J A Flynn

Ms K Davies

Mr J Matthews

Mr P Jenkins

(resigned 31/12/2015)

Reverend A K Holmes

(resigned 31/12/2015)

Ms L Williams

(resigned 01/04/2015)

Mr C Griffiths

(resigned 24/05/2015)

Mr L Davies

(resigned 01/08/2015)

### **Recruitment and appointment of new trustees**

Trustees are elected from Bryncynon and its surrounding areas. We are also in the process of developing the capacity of the board through the increase in board members who have specific skills and expertise. Trustees serve for a 3-year appointment and can be re-elected for further terms. They are elected at the AGM of through a formal process of invitation and selection throughout the year.

### **Induction and training for new trustees**

All trustees receive training in the following:

- Roles and responsibilities of trustees,
- Health and safety legislation
- Charity law
- Company and finance matters.

In support of the above, regular updates are given at the monthly trustees meetings or as and when required.

### **Organisation structure**

There is a board of 3 trustees who are also directors. The board of directors, led by the chair of the board, manage the strategic objectives. Empower Support for the Voluntary Sector have been appointed to assume management and operational responsibilities for the organisation, supported by the management team in the charity.

### **Key management personnel**

The key management personnel of the charity are as follows:

Anthony Brito - CEO (resigned November 2015)

Lee Thomas - Finance co-ordinator

Rhian Dennis - Finance co-ordinator (resigned July 2016)

Gill Bruford - Project manager

Key management personnel are remunerated for services at market rates.

# **BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED**

## **CHARITY REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **Related parties**

There are no related parties.

### **Risks**

The trustees have considered the principal risks of the charity, and have concluded a key risk going forward is the securing of future funding.

### **Future Developments**

Having completed the restructure of Bryncynon Community Revival Strategy Ltd, the main focus of the organisation is to ensure the sustainability of the charity for the foreseeable future. The significant losses the charity has previously faced has now come to end and our goal is now to continue to generate income and provide a quality provision against the funding we currently receive.

The board has brought in Empower Support for the Voluntary Sector to act as operational management for the organisation on behalf of the board and support the organisation in achieving its goals and ensuring its sustainability.

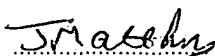
Key to the organisation's success is the Feel Good Factory and we plan to continue to develop this centre as both a vital community hub and as a source of generating unrestricted income. The newly refurbished Café is going from strength to strength and will be a vital contributor to generating income for the charity.

Marketing of the Feel Good Factory and it's Café are a big focus for the organisation and we are continuing to improve marketing material, both in print and online.

With a much smaller board than in previous years, another key drive for the organisation is increasing the number of board members, with key skills that can help the charity develop over the coming years.

Relationships with key partners and stakeholders is a vital function our board will look to develop over the coming year.

The charity report was approved by the Board of Trustees.



**Mr J Matthews**

Dated: 23.12.16



# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## MEMBER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED FOR THE YEAR ENDED 31 MARCH 2016

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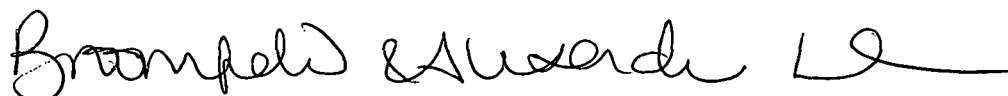
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Bryncynon Community Revival Strategy Limited for the year ended 31 March 2016, which comprise the Statement of Financial Activities, the Cash Flow Statement and the related notes from the charity's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

This report is made to the charity's trustees, as a body, in accordance with the terms of our engagement letter dated 4 February 2012. Our work has been undertaken solely to prepare for your approval the accounts of Bryncynon Community Revival Strategy Limited and state those matters that we have agreed to state to the charity's trustees, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bryncynon Community Revival Strategy Limited and the charity's trustees as a body, for our work or for this report.

It is your duty to ensure that Bryncynon Community Revival Strategy Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and deficit of Bryncynon Community Revival Strategy Limited. You consider that Bryncynon Community Revival Strategy Limited is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the accounts of Bryncynon Community Revival Strategy Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



**Broomfield & Alexander Limited**

.....23/12/16.....

**Member Of The Institute Of Chartered Accountants In England  
And Wales Accountants**

Waters Lane Chambers

Waters Lane  
NEWPORT  
NP20 1LA  
UK

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

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I report on the accounts of the charity for the year ended 31 March 2016, which are set out on pages 8 to 21.

#### Respective responsibilities of trustees and examiner

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

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

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

#### Basis of independent examiner's report

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

#### Independent examiner's statement

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Broomfield & Alexander Limited

Sarah Case FCA DChA  
Waters Lane Chambers  
Waters Lane  
NEWPORT  
NP20 1LA  
UK

Dated: 23/12/16

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b><u>Income from:</u></b>					
Donations and legacies	3	2,490	-	2,490	1,115
Charitable activities	4	32,353	247,013	279,366	519,759
Other trading activities	5	28,650	-	28,650	55,241
Investments	6	989	-	989	150
<b>Total income</b>		<b>64,482</b>	<b>247,013</b>	<b>311,495</b>	<b>576,265</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	12,469	-	12,469	20,584
Charitable activities	8	156,874	351,260	508,134	699,734
<b>Total resources expended</b>		<b>169,343</b>	<b>351,260</b>	<b>520,603</b>	<b>720,318</b>
<b>Net outgoing resources before transfers</b>		<b>(104,861)</b>	<b>(104,247)</b>	<b>(209,108)</b>	<b>(144,053)</b>
Gross transfers between funds		4,786	(4,786)	-	-
<b>Net expenditure for the year/ Net movement in funds</b>		<b>(100,075)</b>	<b>(109,033)</b>	<b>(209,108)</b>	<b>(144,053)</b>
Fund balances at 1 April 2015		348,385	999,370	1,347,755	1,491,808
<b>Fund balances at 31 March 2016</b>		<b>248,310</b>	<b>890,337</b>	<b>1,138,647</b>	<b>1,347,755</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.

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12		951,724		1,002,800
<b>Current assets</b>					
Stocks	14	750		750	
Debtors	15	40,547		60,078	
Cash at bank and in hand		167,040		321,818	
		<u>208,337</u>		<u>382,646</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(21,414)</u>		<u>(37,691)</u>	
Net current assets			186,923		344,955
<b>Total assets less current liabilities</b>			<u>1,138,647</u>		<u>1,347,755</u>
<b>Income funds</b>					
Restricted funds	18		890,337		999,370
<u>Unrestricted funds</u>					
Designated funds	19	123,000		318,000	
General unrestricted funds		125,310		30,385	
		<u>248,310</u>		<u>348,385</u>	
			<u>1,138,647</u>		<u>1,347,755</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 2016. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The charity 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 23-12-16



Mr J Matthews  
Trustee

Company Registration No. 03195860

# **BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **1 Accounting policies**

#### **Charity information**

Bryncynon Community Revival Strategy Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Feel Good Factory, Abercynon Road, Ynysboeth, MOUNTAIN ASH, Rhondda Cynon Taff, CF45 4XZ, UK.

#### **1.1 Accounting convention**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the charity continues 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 subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### **1.4 Incoming resources**

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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies (Continued)

#### 1.5 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

#### 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:

Freehold land and buildings	2% on cost
Plant and equipment	25% reducing balance

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.

Fixed asset additions costing less than £900 are not capitalised.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.9 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.

#### 1.10 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.

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies (Continued)

##### **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 receipts 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.

#### 1.11 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.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are 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.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Donations and gifts	2,490	-	2,490	1,115
<b>For the year ended 31 March 2015</b>	<u>115</u>	<u>1,000</u>	<u></u>	<u>1,115</u>

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# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 4 Charitable activities

	2016 £	2015 £
Tuition and other income - young children and youth activities	32,353	43,035
Tuition and other income - general activity	-	5,445
Performance related grants	247,013	471,279
	<u>279,366</u>	<u>519,759</u>
Analysis by fund		
Unrestricted funds	32,353	
Restricted funds	247,013	
	<u>279,366</u>	
<b>For the year ended 31 March 2015</b>		
Unrestricted funds		70,567
Restricted funds		449,192
		<u>519,759</u>
<b>Performance related grants</b>		
Flying Start	174,727	385,593
Greggs Foundation	1,076	-
Big Lottery Fund	-	4,211
Children in Need	30,278	22,427
Henry Smith Foundation	-	18,750
Playscheme Bryncynon (Flying Start)	30,473	7,435
Environment Wales	-	9,540
Interlink	-	761
Moving Forward - Green Valley	-	14,422
Communities First	10,459	8,140
	<u>247,013</u>	<u>471,279</u>

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 5 Other trading activities

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Cafe income and buffet sales	24,027	-	24,027	50,239
Fundraising	2,981	-	2,981	2,972
Other income	1,642	-	1,642	2,030
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Other trading activities	28,650	-	28,650	55,241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>For the year ended 31 March 2015</b>	<u>55,142</u>	<u>99</u>		<u>55,241</u>

### 6 Investments

	2016	2015
	£	£
Interest receivable	989	150
	<u>          </u>	<u>          </u>

### 7 Raising funds

	2016	2015
	£	£
Purchases	12,469	20,584
	<u>          </u>	<u>          </u>
	12,469	20,584
	<u>          </u>	<u>          </u>
<b>For the year ended 31 March 2015</b>		
Purchases		<u>20,584</u>

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 8 Charitable activities

	2016 £	2015 £
Staff costs	317,008	476,571
Depreciation and impairment	51,076	61,486
General activity	125,985	83,091
Food supplies	1,308	3,310
Healthy living centre	-	18,406
Environmental projects	-	7,572
Independent examination fees	3,500	3,750
Legal and professional fees	9,257	45,548
	<u>508,134</u>	<u>699,734</u>
	<u>508,134</u>	<u>699,734</u>
<b>Analysis by fund</b>		
Unrestricted funds	156,874	
Restricted funds	351,260	
	<u>508,134</u>	
<b>For the year ended 31 March 2015</b>		
Unrestricted funds		311,320
Restricted funds		388,414
		<u>699,734</u>

### 9 Net movement in funds

	2016 £	2015 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	51,076	61,486
	<u>51,076</u>	<u>61,486</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 11 Employees

#### Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
Main project activities and administration	9	16
Part time staff	22	27
	<u>31</u>	<u>43</u>

#### Employment costs

	2016 £	2015 £
Wages and salaries	300,244	452,885
Social security costs	14,945	22,234
Other pension costs	1,819	1,452
	<u>317,008</u>	<u>476,571</u>

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

#### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>59,987</u>	<u>46,637</u>

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 12 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2015	1,056,921	501,585	1,558,506
At 31 March 2016	1,056,921	501,585	1,558,506
<b>Depreciation and impairment</b>			
At 1 April 2015	173,870	381,836	555,706
Depreciation charged in the year	21,138	29,938	51,076
At 31 March 2016	195,008	411,774	606,782
<b>Carrying amount</b>			
At 31 March 2016	861,913	89,811	951,724
At 31 March 2015	883,051	119,749	1,002,800

### 13 Financial instruments

	2016	2015
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	207,587	381,896
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	21,414	37,691

### 14 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	750	750

### 15 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	17,745	60,078
Other debtors	22,802	-
	40,547	60,078

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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

	2016	2015
	£	£
Other taxation and social security	9,667	4,417
Trade creditors	4,110	3,437
Other creditors	7,637	29,837
	<u>21,414</u>	<u>37,691</u>
	<u><u>21,414</u></u>	<u><u>37,691</u></u>

**17 Retirement benefit schemes**

**Defined contribution schemes**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,819 (2015: £1,452)

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 18 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:

	Movement in funds				Balance at 31 March 2016 £
	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	
Fixed asset reserve	900,359	-	(21,138)	-	879,221
Henry Smith Foundation	1,339	-	-	(1,339)	-
Sports Wales	153	-	-	(153)	-
Flying Start	94,225	174,858	(269,083)	-	-
BBC Children in Need	-	30,278	(30,278)	-	-
Greggs Foundation	-	1,076	(1,076)	-	-
RCT	-	10,820	(6,444)	-	4,376
Communities First	-	29,981	(23,241)	-	6,740
Environment Wales	1,968	-	-	(1,968)	-
WCVA	326	-	-	(326)	-
Austin Hope Pilkinton Trust	1,000	-	-	(1,000)	-
	<u>999,370</u>	<u>247,013</u>	<u>(351,260)</u>	<u>(4,786)</u>	<u>890,337</u>

**Fixed assets reserve** - This represents buildings improvements, fixtures and equipment originally acquired using restricted funds. The balance will fund future depreciation of equipment, fixtures and fittings to the extent that those assets are represented by the fund.

**Henry Smith Foundation** – to fund Healthy Living Centre coordinators, training and administration support.

**Sports Wales** – to purchase sports equipment.

**Flying Start** – local authority funding providing salary, rental and resources for pre-school children and families.

**BBC Children in Need** – funding towards youth work and youth Manager's post.

**Greggs Foundation** - funding for a family community trip to Oakwood.

**RCT** - funding towards playgroup activities.

**Communities First** - Funding to run 3 Youth Club sites in the evenings, as well as activities at the Feel Good Factory.

**Environment Wales** – to support the role of horticultural co-ordinator.

**WCVA** – funding towards internet provision for youth project.

**Austin Hope Pilkinton Trust** – funding towards working with older people within the community.

# BRYNCYNON COMMUNITY REVIVAL STRATEGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2016

#### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 March 2016 £
	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	
Contingency fund	100,000	-	-	-	100,000
Environment fund	50,000	-	-	(50,000)	-
Healthy living fund	40,000	-	-	(40,000)	-
Cafe fund	20,000	-	-	(20,000)	-
General fund	100,000	-	-	(80,000)	20,000
Youth fund	3,000	-	-	-	3,000
Social enterprise fund	5,000	-	-	(5,000)	-
	<u>318,000</u>	<u>-</u>	<u>-</u>	<u>(195,000)</u>	<u>123,000</u>

**Contingency fund** – A sum of £100,000 has been designated to cover the cost of activity for a period of 12 months should funding contributions and trading income cease from other sources.

**General** – The charity has a core team of administrators, including finance and HR officers, as well as caretaking, cleaning and reception staff. These are generally funded from a combination of contributions from the trading and the grant income streams. However, with no new grants confirmed as yet for the year ahead, a contingency fund of £20,000 will be set aside.

**Youth** – We have a small grant fund from Children in Need, which will contribute to the majority of our youth programme. A new Youth Leader is being recruited to deliver this. Should no further funding be attracted during the year we will use a contingency fund of £3,000.

#### 20 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2016 are represented by:			
Tangible assets	72,503	879,221	951,724
Current assets/(liabilities)	175,807	11,116	186,923
	<u>248,310</u>	<u>890,337</u>	<u>1,138,647</u>

#### 21 Related party transactions

There were no related party transactions during the year (2015- none).