

West Kent Extra Limited

Financial Statements

for the year ended

31 December 2015

Company no.	04986819
Charity no.	1104621

West Kent Extra Limited
Report and Financial Statements for the year ended 31 December 2015

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Executives and advisors

Status

The organisation is a charitable company limited by guarantee and has no share capital. West Kent Extra was incorporated on 5 December 2003 and registered as a charity on 1 January 2004.

The company was established under the Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

Trustees

Colin Wilby (Chair) – Appointed 10 September 2015
Frank Czarnowski
Joanne Frawley – Appointed 19 November 2015
Brian Horton – Appointed 19 November 2015
Peter Kasch – Appointed 19 November 2015
James MacQuarrie – Appointed 19 November 2015
Rosie Serpis – Appointed 19 November 2015

Will Campbell-Wroe – Resigned 19 November 2015
Karen Cooper – Resigned 10 September 2015
Karen Laponder – Resigned 10 September 2015
Kultar Nayyar – Resigned 10 September 2015
David Murray – Resigned 10 September 2015
Adam Perry – Resigned 10 September 2015
Andrew Smith – Resigned 10 September 2015
David White – Resigned 10 September 2015
Deborah White – Resigned 19 November 2015
Lawrence Vesey – Resigned 10 September 2015

Managing Director

Will Campbell-Wroe

Secretary

Craig Reynolds

Registered office

101 London Road
Sevenoaks
Kent TN13 1AX

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick, West Sussex
RH6 0PA

Bankers

Royal Bank Of Scotland
67 High Street
Sevenoaks
Kent TN13 1LA

Solicitors

Trowers & Hamblins
Sceptre Court
40 Tower Hill
London W1A 4ZW

Registered number

VAT Registration number 927 5219 12

West Kent Extra Limited

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Report of the board of trustees

Principal activities and review of business

Our aim is to provide neighbourhood based social cohesion and social investment initiatives that add value to the communities of West Kent and beyond.

West Kent Extra (WKE) is a charitable company limited by guarantee and its charitable objectives emphasise the critical link with West Kent Housing Association (West Kent) and clearly state; (a) why West Kent should provide core funding and resources which underpin WKE, and (b) why West Kent should continue to benefit from the development and success of WKE. Our original mission statement is reviewed annually and remains unchanged:

'To build and support strong, cohesive and inclusive communities across Kent'

The charity's objectives (as detailed in the Memorandum of Agreement and Articles of Association) are to carry on for the benefit of the community as a charity:

- To encourage, foster, assist and promote such activities of West Kent as are charitable and those of any similar organisations, established for charitable purposes, as shall be approved by the Trustees from time to time;
- The promotion of urban or rural regeneration in areas of social and economic deprivation and in particular in communities within southeast England with a high percentage of social housing tenants;
- The development of the capacities and skills of the inhabitants of communities in southeast England with a high percentage of social housing which the Trustees consider are socially and/or economically disadvantaged in such a way that they are better to identify, and help meet, their needs and to participate more fully in society;
- To promote, for the general benefit of the community, good citizenship and harmony within the community between persons of different ethnic, cultural, or age backgrounds and between people with a disability and other persons.

Our key objective outlined as a five-year Business Plan (2013-17) and approved by the Trustees of WKE in November 2013, is that we will be a successful business operating in Kent and Medway, delivering real benefits and improvements for local people across a number of local communities. Set within the government's agenda for the future development of the third sector and its commitment to social justice, we believe that the work of WKE delivers significant social capital to communities across Kent. As such WKE will continue to be a key player in delivering social mobility, promoting community cohesion and economic inclusion. We will be recognised as one of the leading community delivery agencies that achieve improvement in the social infrastructure, working in all the most deprived neighbourhoods where West Kent operates and across the wider geographical area of Kent and Medway.

Activities

WKE currently delivers and/or manages a series of community projects at various locations across Kent and Medway. In addition, WKE supports others to develop and deliver community initiatives through involvement in strategic and operational partnerships and through direct funding for local groups by administering the Linda Hogan Community Fund on behalf of West Kent. Projects are developed in consultation with residents and local partners and with funding bodies, such as, West Kent, Sevenoaks District Council (SDC), Kent County Council (KCC), other district and borough councils across Kent and a range of partners from the third sector.

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Our activities fall within four core strands: Community Development, Training and Employment, Resident Involvement and Social Enterprise.

Community Development

We are actively involved in a range of activities that encourage communities to come together in support of each other. WKE listen carefully to our residents including those who are isolated, and the people and organisations who serve them, to understand what the issues are and how we can provide the help and support they need.

Training and Employment

We support residents to improve their skills and employment prospects. This is not just about getting a job – it is about learning, developing and sharing skills with the community.

Resident Involvement

WKE takes a strategic lead on 'Resident Involvement' on behalf of West Kent and we undertake activities in this area to ensure that we retain our ethos of keeping residents at the heart of everything we do. We are committed to ensuring residents' views and needs drive everything we do. Our vision for resident involvement is to offer a wide range of inclusive opportunities that suit the needs of all our residents and result in a broad range of residents being able to influence the services they receive from West Kent and WKE. We believe that by working in partnership with our residents we can help improve the lives and communities of those involved.

Social Enterprise

WKE operates a number of social enterprise schemes that seek to meet a local need by operating in a more commercial way that creates training and employment opportunities and generates unrestricted income that is used to match fund external income and is used to fund pilot projects in areas of work that demonstrate high need but are not currently popular with, or in the remit of, external funders.

We are committed to partnership and community working, and to developing joint initiatives with other agencies that strengthen local provision and maximise skills and resources. All of our projects are staffed by appropriately trained workers and some also have the support of trained volunteers.

Effects of material estimates and judgements upon performance

Preparation of the financial statements requires management to make significant judgments and estimates. The accounts include an estimate for donated stock at assumed sale value at the time of donation. This is shown as income in 'Other trading activities', stock at year end includes £24,275 of donated goods. After recognition management monitors the actual sale value and considers whether changes indicate that impairment is required.

Qualifying third party indemnity provisions

The company has no qualifying third party indemnity provisions in place.

Structure, governance and management

WKE has set in place a procedure for the recruitment and appointment of trustees. In addition a structured induction programme has been devised to enable trustees to more quickly understand the structure and culture of the organisation.

All staff are regularly monitored to ensure they comply with best practice and maximise opportunities for continuous improvement. Projects are structured and delivered according to the

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specific needs of the local communities they serve, based on appropriate consultation with key local statutory, voluntary agencies and members of the community itself. The WKE team provides operational management for our projects/services with additional critical support provided by West Kent. This includes financial, HR (personnel), business services, policy development and monitoring support.

Going concern

The charity's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The charity has in place sufficient resources which provide adequate resources to finance committed reinvestment, along with the charity's day to day operations.

On this basis, the board of trustees has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Assessment of the effectiveness of internal control

The trustees have overall responsibility for ensuring that the charity has appropriate systems of control, both financial and operational: for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity; for safeguarding the assets of the charity and for reasonable steps for the prevention and detection of fraud and other irregularities. The trustees have reviewed the major risks to which WKE is exposed, and systems and procedures have been established to manage those risks.

The systems of internal controls (adopted from and supported by West Kent) are designed to provide reasonable assurance that:

- The charity is operating efficiently and effectively in the pursuit of its objectives;
- Funds are applied in accordance with the intentions of the funder;
- Its assets are safeguarded against un-authorized use or disposition;
- Proper records are maintained and financial information used within the charity or for publication is reliable;
- The charity complies with relevant laws and regulations.

They are also designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- A strategic plan and an annual budget approved by the trustees;
- Regular consideration by the trustees of financial results and variance from budgets;
- Delegation of authority and segregation of duties;
- A project audit programme involving regular monitoring reports tabled at WKE Board meetings;
- Identification and management of risks.

Post balance sheet events

These are no post balance sheet events.

Trustee member's responsibilities

The Trustees are responsible for preparing the Strategic report, the Annual report and the financial statements in accordance with applicable law and regulations.

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Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue. A resolution for the re-appointment of BDO LLP as auditors of the Charity is to be proposed at the forthcoming Annual General Meeting on 26 May 2016.

By order of the Board

Colin Wilby
Chair of the Board of Trustees

Date: 28 April 2016

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Strategic report

Objectives and strategies to achieve those objectives

Over the course of the past 18 months we have engaged in a thorough review of our offer to communities across Kent. This has involved a review of our objectives, values and mission statement, which have been unaltered, and a consideration of how best to apply these to affect positive social change across Kent. In doing this we have consulted with staff, trustees, partners and funders and in July 2015 agreed a new long term strategy and business model. In October 2015 this was followed by a review of governance in consultation with our parent organisation, West Kent Housing Association. This has resulted in changes to the board of trustees.

As a result of this work our charitable objectives are unchanged but have been revisited and we remain committed as an organisation to working across Kent to build and support strong, cohesive and inclusive communities. Having identified an updated business model, outlined below, we are now working on a new medium term strategy which we expect to be agreed in the summer of 2016 and which will guide our work for the next five years.

Business model

For the past 12 years West Kent Extra has worked to identify and meet local needs in communities across Kent. Our work and networks have grown rapidly and as we have prioritised quality of delivery and innovative project design we have been drawn into wider spheres of work. Over the years our work has been running in parallel with the support services of our parent company, delivered under the Lifeways brand. As the work of both West Kent Extra and Lifeways has diversified, and as funders and commissioners have sought partners that can offer a wider range of services in an holistic approach, we have found that West Kent Extra and Lifeways have been working closer and closer together.

In 2014 we started a piece of work to bring the skill sets of the two entities together leading to plans to create a joint team and management structure in the first half of 2016. This new structure will open up a wider range of skills and services to deliver a greater offer to communities across Kent and to the commissioners and funders seeking to find solutions to complex and integrated community issues.

As we bring this diverse skills set together we have developed and articulated a joint business model that places the identification of unmet needs across Kent at the core. Once identified we will seek to tackle these unmet needs using four key principles

Provision – If we decide that we can deliver services ourselves to tackle unmet needs then we will do so only if we feel we are able to provide innovative services of real quality. We will seek to design, deliver and evaluate services in partnership with communities. We will seek to be specialists in community development, seeking to understand and meet the broad range of needs of local communities. In doing so we will acquire new skills as required and will not allow ourselves to overspecialise in niche areas of delivery.

Partnerships – We already work in a wide range of partnerships and believe they offer the most comprehensive, meaningful and valuable way to offer services. We understand that some organisations will specialise in niche areas and in those cases we will, if the quality of their service is good, seek to support them by working in partnership. We will be conscious of value for money and not seek to replicate the services of others and in so doing waste our resources and theirs. We will be happy to work with others as either lead or junior members as best fits the situation and environment.

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Empowerment – We understand that our resources are limited and we therefore seek to engage in work that empowers individuals and communities to support themselves in the medium to long term. We realise that some individuals and communities need more support than others but we will provide value for money by withdrawing our services when local social capital has been developed, so that we can help support other communities with unmet need.

Lobbying – In many cases we both work with individuals and communities with little or no voice, or will identify unmet needs that we have neither the expertise nor the resource to meet. In those circumstances we believe that we have the responsibility to speak up for those individuals and communities, to support others to meet their needs. We will also undertake broader evaluations of our work over time and use these reports to identify both good practice and areas of challenge.

Above all we understand that our role is ultimately self defeating, our work will be done when communities across Kent are strong and truly inclusive. At that point we will no longer be needed. In the meantime we see plenty of ways in which we can help support communities across Kent to meet that ultimate aim.

Development and performance during the financial year and financial position at the year end

Over the course of the past 12 months West Kent Extra has continued to deliver a wide range of services across its four strands of work. We have successfully secured funding for the continuation of all of our services and have expanded our training and employment offer to support almost 250 people back into training or employment in 2015. We have also seen a significant improvement in our resident engagement work. Having updated our Resident Involvement Strategy in 2014 we have started to see the radical changes impact with a huge increase in the number of West Kent tenants engaged moving from single figures to 41% and with service improvement suggestions far in excess of anticipated levels.

Despite the financial challenges in the sector and the country at large we have secured funding across our range of services and are pleased to see an appropriate level of surplus in the financial accounts that can be reinvested into further community work in the years ahead.

Future prospects

2015 was a challenging year in which the uncertainty around the general election caused delays in commissioning by local authorities and had a knock on effect to other funders. As the implications of the election have been worked through we have seen a significant increase in the level of statutory commissioning coming forward and a restatement of the intention for the voluntary sector to support value for money and innovation in service delivery both locally and nationally. We are well placed to work with partners and funders across Kent and see a number of opportunities for growth in our services in the medium term.

As part of our new community offer work we have identified the ways in which we will explore unmet need and have put resources into customer insight, community engagement and community development that we expect to lead to a range of pilot projects and innovative services in the future. We expect it to take 6-12 months for this to start delivering results but believe it will be of significant benefit to the organisation and Kent communities for years to come.

Principal risks and uncertainties

In setting out our strategy for the five years ahead we have completed an overview of our risk and internal controls and have identified the following five key risks and uncertainties that may impact on our strategy. In each case we have identified the key factors, strategies and procedures that mitigate the risk.

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1. Withdrawal of core funding by West Kent

The key operating model for WKE relies on core funding support from West Kent to act as a lever for wider external funding from a range of sources. If this core funding were removed then WKE may struggle to continue operating without a complete overhaul of its model. In order to mitigate this risk we agree a five year business plan with the West Kent board annually. We also have West Kent representatives on the WKE board. The performance of WKE is regularly reported to the West Kent board.

2. Failure to deliver commission or funded work

Our ability to secure funding over the past five years has been built on a strong reputation for quality of delivery. If that reputation were compromised we may suffer in our attempts to secure future funding. This risk is mitigated by having clear project outlines with objectives and outcome measures clearly articulated. These are regularly monitored internally and with funders and partners. We also ensure that all staff have regular one to one meetings and annual appraisals so that performance can be effectively managed.

3. Change in commissioning environment

A significant proportion of our growth over the past five years has been positive engagement with local authority commissioning. This trend looks set to continue but may change at any time and is vulnerable particularly to a change in local or national government. This risk is mitigated by having strong, open and honest partnerships with commissioning bodies and ensuring that we engage in reviews conducted by commissioning bodies.

4. Providing appropriate services

A key element of our approach is understanding the needs of local communities and designing and delivering work that meets their needs and is not overly influenced by the preferences of staff or external funders. Over the course of the past 18 months we have delivered a range of services that communities articulated they needed. We currently have a small range of new project ideas proposed by communities. We need to ensure that our future work remains responsive to need and not reactive to funding opportunities. In order to mitigate this risk we have restructured our community development team and have more resources to work in communities to understand and articulate their needs. All new projects are approved by the board who will ensure that they are driven by local need. We have developed the community offer over the past 12 months which drives us to consider opportunities against a clear methodology to plug gaps in current provision where it fails to meet the needs of local communities.

5. Loss of key staff

The WKE staff team has grown rapidly over the past five years. With lots of new staff in place the senior management of the team is dominated by long established staff members. We have in the past year lost our long standing team co-ordinator but had no problems in attracting a strong field of applicants or in filling the role. This risk is mitigated through open discussion on staff aspirations in annual performance appraisals that identifies staff who seek to progress or retire. Our staff turnover level remains healthy.

Financial and non financial key performance indicators

The trustees agreed a set of key performance indicators for 2015 that are shown below with both the annual target and actual performance. The targets include measures of external funding secured and the surplus generated by social enterprise activity.

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Performance Indicator	Annual Target	2015 Actual Performance
Number of engagements with community services	25,000	36,287
Number of engagements outside west Kent	4,000	4,644
Social enterprise surplus	£50,000	£53,000
Number of volunteer hours	2,000	4,602
External income secured	£1,500,000	£992,675
Number of partners engaged in year	50	87
Number of people supported into training and employment	100	278
Number of starter packs delivered in the year	250	98
% of West Kent residents consulted in the year	33%	41%
Number of service recommendations made by West Kent tenants	25	431
Number of external partnerships engaged in	20	47

In addition to the key performance indicators shown above we collated almost 100 case studies that demonstrated the impact and outcomes of our work. In addition we worked with the University of Kent to track the impact of our youth work over a ten year period. The results of this research are due to be published in the first quarter of 2016. The trustees remain committed to developing further social impact measures in 2016 and beyond.

Approval

This Strategic Report was approved by order of the Board on 28 April 2016.

Craig Reynolds
Company Secretary

West Kent Extra Limited

Report and Financial Statements for the year ended 31 December 2015

Independent auditor's report to the members of West Kent Extra Limited

We have audited the financial statements of West Kent Extra Limited for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members 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, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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Elizabeth Kulczycki (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom
Date:

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

West Kent Extra Limited financial statements for the year ended 31 December 2015

Statement of financial activities (Incorporating income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Restated Total 2014 £
<u>Income from:</u>					
Donations	3	865,342	62,074	927,416	832,095
Charitable activities	4	577,260	79,864	657,124	846,758
Other trading activities	5	270,002	-	270,002	256,232
Investments	6	102	-	102	166
Total		1,712,706	141,938	1,854,644	1,935,251
<u>Expenditure on:</u>					
Other trading activities	7	(525,624)	-	(525,624)	(470,920)
Charitable activities	8	(1,148,741)	(130,817)	(1,279,558)	(1,445,993)
Total		(1,674,365)	(130,817)	(1,805,182)	(1,916,913)
Net movement in funds		38,341	11,121	49,462	18,338
Fund balances brought forward		170,251	43,692	213,943	195,605
Fund balances carried forward		208,592	54,813	263,405	213,943

The charity has no other recognised gains or losses.

The income and expenditure on this statement all derives from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Charity balance sheet

Company number No 4986819

	Notes	2015 £	Restated 2014 £
Fixed assets:			
Tangible fixed assets	10	48,483	31,743
Current assets:			
Debtors	11	324,731	133,976
Stock	12	28,388	21,148
Cash at bank and in hand		38,302	118,870
		<u>391,420</u>	<u>273,994</u>
Liabilities:			
Creditors: amounts falling due within one year	13	(176,498)	(91,794)
Net current assets		<u>214,922</u>	<u>182,200</u>
Total assets less current liabilities		<u>263,405</u>	<u>213,943</u>
The funds of the charity:			
Unrestricted funds	17	208,592	170,251
Restricted funds	17	54,813	43,692
Total charity funds		<u>263,405</u>	<u>213,943</u>

The financial statements were approved and authorised for issue by the Trustees on 28 April 2016.

Signed on behalf of the Trustees by:

Colin Wilby
Chairman

Frank Czarnowski
Trustee

The notes on pages 15 to 26 form part of these financial statements.

West Kent Extra Limited financial statements for the year ended 31 December 2015
Statement of cash flows for the year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities:			
Surplus for the financial year		49,462	18,338
Adjustments for:			
Depreciation of fixed assets	10	13,169	8,298
Movement in trade and other debtors	11	(190,754)	26,418
Movement in stocks	12	(7,240)	(11,235)
Movement in trade creditors	13	84,704	6,567
Cash from operations:		<u>(50,659)</u>	<u>48,386</u>
Taxation paid		-	-
Net cash generated from operating activities		<u>(50,659)</u>	<u>48,386</u>
Cash flows from investing activities:			
Purchases of fixed assets	10	<u>(29,909)</u>	<u>(7,280)</u>
Net cash from investing activities		<u>(29,909)</u>	<u>(7,280)</u>
Cash flows from financing activities			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents		(80,568)	41,106
Cash and cash equivalents at beginning of year		<u>118,870</u>	<u>77,764</u>
Cash and cash equivalents at end of year		<u><u>38,302</u></u>	<u><u>118,870</u></u>

The notes on page 15 to 26 form part of these financial statements.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for West Kent Extra includes the FRS 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' the Statement of Recommended Practice applicable to charities, the Companies Act 2006 and applicable accounting standards.

(b) Charity status

The charity is incorporated under the Companies Act 2006 and is registered as a charity. It was registered on 5 December 2003.

(c) Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the funders or which have been raised by the charity for a particular purpose.

(d) Income

All income arises in the United Kingdom and is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacies are received by the way of grants, donations, gifts and gift aid and is accounted for when receivable;
- Charitable activities income received for:
 - Social enterprise - Furniture project from local authority contracts are accounted for when the end user is provided with furniture and starter packs;
 - Training and employment are recognised when receivable;
 - Community development grants are recognised when receivable.
- Other trading activities includes sales of new furniture and café sales which are accounted for on the receipt of income and donated furniture sales accounted for on receipt of donation;
- Investment income is included when receivable.

(e) Expenditure

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

Raising funds expenditure for the furniture store relates to the purchase of new saleable items which have been sold and direct overheads. Café costs relate to direct West Kent Housing Association staffing costs, direct overheads and purchase of food supplies for sale.

Charitable activities expenditure includes direct costs for equipment, resources and furniture incurred to deliver activity and direct West Kent Housing Association staffing where externally funded.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

1 Accounting policies continued

Support and management costs include governance, general overheads and non direct West Kent Housing Association staff and support costs. These are apportioned on the bases of West Kent Housing Association staff time spent on each of the activities and allocated to the raising funds and charitable activities.

Community Chest and Rising Star Bursary issue grants, the grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions, which have not been met at the year-end, are noted as a commitment, but not accrued as expenditure.

Staff costs are recharged from West Kent Housing Association and allocated on the basis of time allocation. Support costs are group administration costs apportioned based on West Kent Extra's floor space usage.

(f) Tangible fixed assets and depreciation

Fixed assets are all classified as Property, Plant and Equipment as per the definition in FRS102 and are held at cost less accumulated depreciation. Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their estimated economic lives. It is calculated at the following rate:

	Years
Motor vehicles	3
Computers, Office Furniture	5
Fixtures & Fittings	10

Assets below £2,000 are not capitalised.

(g) Irrecoverable VAT

The financial statements include VAT to the extent that it is suffered by the company and not recoverable from HM Revenue and Customs.

(h) Stocks

Purchased stock is valued the lower of cost and net realisable value. Donated stock is valued at the historic average sales price for similar items.

Net realisable value is based on the estimated selling price less additional costs to completion and disposal. The stock holding is wholly for the social enterprise – furniture projects.

(i) Policy and practice on the payment of creditors

The Company does not follow a specific code or statement on payment practice. It is the Company's policy to pay its suppliers in accordance with the payment terms agreed at the outset and to honour those terms in the full. It is not the Company's policy to seek to use its position to impose less beneficial terms at a later stage.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Key judgements

In preparing these financial statements, key judgements have been made in respect of the following:

The net realisable value estimated at £10,000 for fixed assets at the former Eden centre café has been assessed by the Managing Director of West Kent Extra. This is based on the potential proceeds for the café equipment & fittings which are no longer required and being sold.

Support costs have been allocated on the bases of staff time spent on each of the activities.

Estimates for the value of donated stock held at year end have been based on historic average selling price for similar items.

In the prior year financial statements a portion of income in relation to the Starter Packs & Abacus furniture projects was included in both the Starter Packs and the funding body lines for Social Fund KSAS and Medway LWP within the income and expenditure. This resulted in the income and expenditure being overstated by £174,083 at 31 December 2014, with no impact on the surplus in the year.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Core funding				
West Kent Housing Association	838,039	-	838,039	758,085
Community development				
House Project	-	6,125	6,125	3,815
8-12's Projects	-	30,949	30,949	21,554
Edenbridge Young Parents Group	5,000	-	5,000	-
Commissioned Youth Work	880	-	880	-
No Bother	-	-	-	19,000
Community Development	-	-	-	420
Rising Stars Bursary	-	-	-	239
Social enterprise - Furniture project				
Abacus Sevenoaks & Medway	7,654	-	7,654	-
Abacus Maidstone	13,769	-	13,769	2,337
Training & employment				
Training & employment	-	25,000	25,000	15,000
Pop Up Business School Project	-	-	-	9,000
Resident involvement	-	-	-	2,645
	865,342	62,074	927,416	832,095

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Restated Total 2014 £
Social enterprise - Furniture project				
Social Fund KSAS	336,718	-	336,718	485,554
Medway LWP Programme	62,998	-	62,998	51,879
Medway LWP Admin	95,060	-	95,060	116,605
Starters Packs Project	82,484	-	82,484	127,634
Training & employment				
Tenancy Sustainment	-	13,333	13,333	-
Community development				
8-12's Project Lottery Funded	-	36,169	36,169	36,024
Commissioned Youth Work	-	30,362	30,362	29,062
	577,260	79,864	657,124	846,758

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

5 Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Restated Total 2014 £
Social enterprise - Furniture project				
Abacus Sevenoaks & Medway	196,473	-	196,473	182,217
Abacus Maidstone	58,376	-	58,376	55,217
Social enterprise - Café				
Swanley Gateway Café	12,958	-	12,958	-
Eden Centre Café	2,195	-	2,195	18,798
	<u>270,002</u>	<u>-</u>	<u>270,002</u>	<u>256,232</u>

6 Investment income

	Total 2015 £	Total 2014 £
Bank interest	102	166
	<u>102</u>	<u>166</u>

7 Expenditure on other trading activities

	Direct costs £	Allocation of support and staff costs £	Total 2015 £	Restated Total 2014 £
Social enterprise - Furniture project				
Abacus Sevenoaks & Medway	108,987	268,058	377,045	342,923
Abacus Maidstone	83,323	7,923	91,246	65,426
Social enterprise - Café				
Swanley Gateway Café	27,552	11,636	39,188	-
Eden Centre Café	16,491	1,654	18,145	62,571
	<u>236,353</u>	<u>289,271</u>	<u>525,624</u>	<u>470,920</u>

All income on other trading activities was unrestricted.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

8 Expenditure on charitable activities

	Direct costs	Allocation of support and staff costs	Total 2015	Restated Total 2014
	£	£	£	£
Community development				
House Project	26,601	49,399	76,000	81,201
Commissioned Youth Work	23,274	39,723	62,997	51,497
8-12's Project Lottery Funded	39,634	8,661	48,295	42,958
8-12's Projects	26,316	16,542	42,858	32,635
Community Development	-	30,275	30,275	55,564
No Bother	948	27,585	28,533	35,576
Community Chest	14,321	4,575	18,896	18,491
Estate Fun days	5,102	12,717	17,819	11,849
Eden Centre Office	511	8,018	8,529	11,228
Edenbridge Youth Forum	222	4,942	5,164	6,092
Asdan	-	2,735	2,735	1,259
Youth Extra	480	2,016	2,496	3,127
Sevenoaks Youth Forum	36	1,499	1,535	70
Edenbridge Young Parents Group	1,049	65	1,114	-
Rising Stars Bursary	845	53	898	2,540
Make Do and Mend	-	67	67	54
Kent and Medway TimeBank	-	-	-	18,129
West Kingsdown Youth Forum	-	-	-	917
Social enterprise - Furniture project				
Social Fund KSAS	333,351	43,422	376,773	563,885
Medway LWP Programme	67,952	6,666	74,618	67,241
Starters Packs Project	67,260	15,894	83,154	98,603
Medway LWP Admin	68,659	4,287	72,946	100,414
Training & employment				
Training & Employment	1,549	92,731	94,280	85,742
Pop Up Business School Project	16,381	7,722	24,103	18,633
Tenancy Sustainment	13,118	819	13,937	-
Resident Involvement	246	191,290	191,536	138,288
	707,855	571,703	1,279,558	1,445,993

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

8 Expenditure on charitable activities continued

	Unrestricted funds £	Restricted funds £	Total 2015 £	Restated Total 2014 £
Community development				
House Project	69,875	6,125	76,000	81,201
Commissioned Youth Work	39,723	23,274	62,997	51,497
8-12's Project Lottery Funded	8,661	39,634	48,295	42,958
8-12's Projects	16,542	26,316	42,858	32,635
Community Development	29,855	420	30,275	55,564
No Bother	24,533	4,000	28,533	35,576
Community Chest	18,896	-	18,896	18,491
Estate Fun days	17,819	-	17,819	11,849
Eden Centre Office	8,529	-	8,529	11,228
Edenbridge Youth Forum	5,164	-	5,164	6,092
Asdan	2,735	-	2,735	1,259
Youth Extra	2,496	-	2,496	3,127
Sevenoaks Youth Forum	1,535	-	1,535	70
Edenbridge Young Parents Group	1,114	-	1,114	-
Rising Stars Bursary	898	-	898	2,540
Make Do and Mend	67	-	67	54
Kent and Medway TimeBank	-	-	-	18,129
West Kingsdown Youth Forum	-	-	-	917
Social enterprise - Furniture project				
Social Fund KSAS	376,773	-	376,773	563,885
Medway LWP Programme	74,618	-	74,618	67,241
Starters Packs Project	83,154	-	83,154	98,603
Medway LWP Admin	72,946	-	72,946	100,414
Training & employment				
Training & Employment	92,731	1,549	94,280	85,742
Pop Up Business School Project	7,722	16,381	24,103	18,633
Tenancy Sustainment	819	13,118	13,937	-
Resident Involvement	191,536	-	191,536	138,288
	<u>1,148,741</u>	<u>130,817</u>	<u>1,279,558</u>	<u>1,445,993</u>
Total Expenditure	<u>1,674,365</u>	<u>130,817</u>	<u>1,805,182</u>	<u>1,916,913</u>

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

9 Staff costs

All staff were employed by West Kent Housing Association and the cost is charged to West Kent Extra. During the year no expenses were reimbursed to trustees and no trustee received remuneration.

10 Fixed assets

	Plant & Machinery £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2015	38,314	39,831	78,145
Additions	-	29,909	29,909
Disposals	-	-	-
At 31 December 2015	38,314	69,740	108,054

Depreciation

At 1 January 2015	31,641	14,761	46,402
Charge for Year	2,427	10,742	13,169
Disposals	-	-	-
At 31 December 2015	34,068	25,503	59,571

Net book value

At 31 December 2015	4,246	44,237	48,483
At 31 December 2014	6,673	25,070	31,743

11 Debtors

	Total 2015 £	Total 2014 £
Trade Debtors	180,088	71,796
Accrued income	144,643	62,180
	324,731	133,976

12 Stock

	Total 2015 £	Restated Total 2014 £
Stock of donated furniture	24,275	17,414
Stock of new furniture	4,113	3,734
	28,388	21,148

There is no material difference between the replacement cost of stocks and the amount stated above.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

13 Creditors: Amounts falling due within one year:	Total 2015 £	Total 2014 £
Accruals and deferred income	105,560	68,031
Intercompany creditor	70,938	23,763
	<u>176,498</u>	<u>91,794</u>

Deferred income £55,042 (2014: £7,119) relates to contract income invoiced in advance.

14 Financial Instruments

The charities financial assets measured at historical cost comprise of trade receivables, other receivables, cash and cash equivalents.

The charities financial liabilities measured at historical cost comprise of other creditors and amounts owed to the parent company.

15 Parent undertaking

The charity is a subsidiary undertaking of West Kent Housing Association, a Registered Provider of social housing with charitable objectives. The consolidated accounts of the parent are available to the public and may be obtained from West Kent Housing Association, 101 London Road, Sevenoaks, Kent TN13 1AX.

16 Related Parties

Transactions with the parent are not disclosed as permitted by FRS102, West Kent Extra is a wholly owned subsidiary of West Kent Housing Association.

West Kent Extra considers the key management personnel to be the Trustees, Communities Director and the Head of Communities, there are no transactions between West Kent Extra and the key management personnel and this is set out in note 9.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

17 Statement of funds	1 Jan 2015			31 Dec 2015	
	b/fwd	Income	Expenditure	Transfers	c/fwd
	£	£	£	£	£
Unrestricted funds	170,251	1,712,706	(1,674,365)	-	208,592
Restricted funds					
Training & Employment ¹	14,358	25,000	(1,549)	(16,381)	21,428
Medway LWP Programme	13,224	-	-	-	13,224
8-12's Project Lottery Funded ²	11,690	36,169	(39,634)	-	8,225
No Bother	4,000	-	(4,000)	-	-
Community Development	420	-	(420)	-	-
8-12's Projects	-	30,949	(26,316)	-	4,633
House Project	-	6,125	(6,125)	-	-
Pop Up Business School project ¹	-	-	(16,381)	16,381	-
Tenancy Sustainment	-	13,333	(13,118)	-	215
Commissioned Youth Work	-	30,362	(23,274)	-	7,088
Total restricted funds	43,692	141,938	(130,817)	-	54,813
Total funds	213,943	1,854,644	(1,805,182)	-	263,405

The restricted funds are to support on going projects where funds have been received with a specific purpose.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

¹ Transfer of £16,381 from the Training Employment funding to the sub project Pop up Business School allowable under the terms of the funding from West Kent Housing

² 8-12's Project Lottery Funded - Project funded by a Big Lottery Fund Grant

18 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	48,483	-	48,483
Current assets	286,864	104,556	391,420
Current liabilities	(126,755)	(49,743)	(176,498)
	208,592	54,813	263,405

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

19 FRS 102 Transition

FRS102 and the Charities SORP 2015 require donated stock to be recognised at their fair value at the point of donation, whereas under previous UK GAAP these were recognised at the point of sale. The effect of this when compared to previous UK GAAP has been to increase reported profits and stock levels by £17,414 for the year ended 31 December 2014.

	Income and Expenditure Reserves as at 1 January 2014 £	Surplus for the year ended 31 December 2014 £	Income and Expenditure Reserves as at 31 December 2014 £
As previously stated under former UK GAAP	195,605	924	196,529
Donated stock fair value adjustment	-	17,414	17,414
As stated in accordance with FRS102	<u>195,605</u>	<u>18,338</u>	<u>213,943</u>

FRS102 and the Charities SORP 2015 require governance costs to be allocated to projects rather than separately identified. The 2014 governance costs of £41,340 have been allocated to projects based on staff cost and included in Allocation of Support and Staff costs in note 7 and 8.

West Kent Extra Limited financial statements for the year ended 31 December 2015

Notes to the financial statements

20 Prior year adjustment

The Abacus Maidstone furniture store was previously accounted for as a Joint Arrangement Not an Entity and only West Kent Extra's share of the income and expenditure was previously recognised. West Kent has reconsidered the substance and control of the arrangement and now considers that it has control over the operations of the store and therefore all transactions should be recognised in the statement of financial activities. The result of this is to increase income and expenditure by £28,970 in the year to 31 December 2014, with no impact on the surplus in the year.

In the prior year financial statements a portion of income in relation to the Starter packs & Abacus furniture projects was incorrectly included in both the Starter packs and the funding body lines for Social Fund KSAS and Medway LWP within the income and expenditure. This resulted in the income and expenditure being overstated by £174,083 at 31 December 2014, with no impact on the surplus in the year.

Since there has been no changes to the reported surplus arising from these adjustments, no statement of changes in reserves has been presented in the financial statements.

	Income				Expenditure		Net movement in funds £
	Donations £	Charitable Activities £	Other trading activities £	Investment £	Other trading activities £	Charitable Activities £	
As previously stated at 31 December 2014	829,758	1,020,841	229,599	166	(441,950)	(1,620,076)	18,338
Revenue recognition adjustment Abacus Maidstone furniture store	2,337		26,633		(28,970)		-
Revenue recognition adjustment Social Fund KSAS		(135,962)				135,962	-
Revenue recognition adjustment Medway LWP programme		(38,121)				38,121	-
Revised for 31 December 2014	<u>832,095</u>	<u>846,758</u>	<u>256,232</u>	<u>166</u>	<u>(470,920)</u>	<u>(1,445,993)</u>	<u>18,338</u>