

Company number: 1327924

Charity number: 275796

# Newham Community Renewal Programme

Report and financial statements  
For the year ended 31 March 2016

# Newham Community Renewal Programme

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### For the year ended 31 March 2016

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## Newham Community Renewal Programme

### Reference and administrative information

For the year ended 31 March 2016

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**Status** The organisation is a charitable company limited by guarantee, incorporated on 31 August 1977 and registered as a charity on 5 June 1978.

**Governing document** The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

**Company number** 1327924

**Charity number** 275796

**Registered office and operational address** 395 High Street North  
Manor Park  
LONDON, E12 6PG

**Board of Management**

David Bryant	
Bryan Collier MBE	Resigned 29 January 2016
Mark Spencer Ellis	Chair
David Gooderham	Resigned 30 November 2015
Jonathan Griffiths	Treasurer
Ellie Meadows	Resigned 20 August 2015
Annette Pascall	
Arnold Ridout	
Simon Isaac	Resigned 20 July 2015
Jackie Withnall	
Christopher Lindsey	Appointed 01 February 2016
Revd Elis Matthews	Appointed 01 February 2016

**Secretary** Ruth Bravery Chief Executive Officer

#### Senior Management Team

Ruth Bravery	Chief Executive Officer
Shirley Barber	Director, Newham Carer's Network
Louise Vera	Director, Youth and Training

**Bankers** The Co-operative Bank PLC  
9 Prescott Street  
LONDON, E1 8BE

**Solicitors** IBB Solicitors  
Capital Court, 30 Windsor Street  
Uxbridge, MIDDLESEX, UB8 1AB

**Newham Community Renewal Programme**

**Reference and administrative information**

**For the year ended 31 March 2016**

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**Auditors**                      Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House, 108-114 Golden Lane  
LONDON, EC1Y 0TL

## Newham Community Renewal Programme

### Trustees' annual report

#### For the year ended 31 March 2016

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The Trustees (known as the Board of Management) present their report and the audited financial statements for the year ended 31 March 2016.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

### Purposes and aims

1.1 The Renewal Programme was established in 1971 'to promote any charitable purposes for the benefit of the Community within the boundaries of Greater London with preference being given to the London Borough of Newham (LBN) and in particular the advancement of Christian education'.

1.2 The Renewal Programme's mission is to stand alongside those who are displaced or marginalised so that they are enabled to take their place in the mainstream of society'. When people are facing a difficult time in their life, we focus on working with people in a personal way, giving the support and tools people need to get their life back on track. We provide advocacy and support through our Newham Carers' Network and our Refugee and Migrant Project; we provide supported housing to 42 homeless people who are hoping to move on to live independently; we provide adult education for beginners in English, Maths and IT and we also run youth clubs. We help people get through the difficulty they are facing and then support them to be better skilled to face future challenges on their own.

1.3 Our strategy is to continue to support young people and adults with advice and advocacy, education and training, youth and community services so that we inspire and enable people to be empowered to make confident, informed life choices.

1.4 The trustees have agreed to take steps to seek to amend the charity's objects. The trustees have always interpreted "the advancement of Christian education" in its widest sense, but feel that the phrase has become anachronistic. Whilst the trustees remain committed that the charity should continue working in accordance with the Christian principles of loving our neighbour, particularly in relation to the destitute and vulnerable, our services are offered according to need rather than faith. The trustees intend to seek approval to remove the specific words "the advancement of Christian education" to reflect this.

### Who we are here for

2.1 The charity's longstanding mission is to stand alongside those who are displaced or marginalised so that they are enabled to take their place in the mainstream of society.

## Trustees' annual report

For the year ended 31 March 2016

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2.2 The Renewal Programme places a high value on supporting people without passing judgement on them. Although we do adopt referral criteria for our services in order to ensure resources are deployed to the most marginalised or disadvantaged, we provide our services without making a judgement as to how or why the beneficiary got to a difficult point in their life to start with. Our focus is on giving assistance and helping people achieve the tools to be more resilient in future.

2.3 Our services primarily support people in the London Borough of Newham.

Newham has the youngest overall population and one of the lowest White British populations in the country according to the 2011 Census. The borough has the second highest percentage of Muslims in Britain at 32%. When using Simpson's Diversity Index on 10 aggregated ethnic groups, the 2001 census identified Newham as the most ethnically diverse district in England and Wales, with 9 wards in the top 15. Newham is densely populated and has higher levels of unemployment than London as a whole. However, many of us who live and work in Newham experience a friendly and vibrant community, despite the deprivations that people can face.

2.4 Our beneficiaries include:

- People who have migrated to the UK through a whole range of routes and reasons, where their immigration status is either unclear, undocumented or not yet finalised. RAMP supports people who are in this situation and who are destitute. Often the individuals and families we support are homeless or in unsuitable accommodation, have serious health issues and may be suffering from the trauma of being trafficked or sexually abused or exploited. People in this situation are often very scared and do not know how to navigate or engage with statutory requirements. They come from many parts of Africa, Asia, Eastern Europe, the Middle East and South America.



- People who are caring for a loved one, friend, family member or neighbour and who are unpaid for the care they provide. Many people do not recognise themselves as a “carer”

because they are “only doing what they need to do for the person they love.” However, taking the step of recognising themselves as a carer helps them enormously because they can then access the statutory funding that is available, identify tools and techniques to help themselves to keep healthy in the face of the physical and mental burden of caring for someone, and help overcome the isolation that can occur when someone is trapped at home due to caring responsibilities. There are over 24,000 carers in Newham according to the 2011 census.

- Young people who would otherwise be roaming the streets on evenings and weekends, often citing difficult relationships at home or unsatisfactory housing conditions as the reason for staying out. Many of the young people have recently migrated to the UK and are still finding their feet, others find it difficult to engage fully with a formal academic education but can find fulfilling activities in areas such as sport and music. Such young people are vulnerable to exploitation by gangs and criminals, and other poor commercial practices such as purchasing dangerous skin care products on line. It's well known that young people often live in fear of moving from one post code area to another, so being able to access appropriate activities in a place they regard as “safe” is vital.
- Adults who have no or little English, or very low level of Maths and IT skills (often combined with not having English as a first language), who need to overcome this barrier in order to find employment or enter training, or simply to be able to support their family (such as helping children with homework or being able to engage with UK banking or statutory services.) We are particularly proud that we support people who may have lived in Newham for up to 40 years without speaking English but with our support and encouragement find the courage to take the step to start to learn. London Borough of Newham communicates solely in English, so it is vital that Newham residents have an understanding of English if they want to fully engage with the borough.
- People who have been homeless and who need some support to address the issues they are grappling with before they can manage to successfully live independently in the community. This includes people who had drug or alcohol addiction, low levels of mental ill health or simply need support with managing their finances and learning day-to-day living skills such as being able to cook for themselves.

### What we do

3.1 The Renewal Programme provides a range of services aimed at providing people with the tools to achieve change in their lives.

- The Renewal Refugee and Migrant Project – RAMP offers crisis support for refugees and asylum seekers and their dependents. We provide fresh and dry food, clothing, a range of workshops and advocacy. We also encourage and enable people with common interests to set up and run self-help groups which make the use of our scarce resources more effective and efficient. RAMP supported approximately 1,000 service users in 2015–16, of whom about 75% are women and children. Of these 90% have no secure immigration status and

therefore no recourse to public funds or other means of income. RAMP assisted 4 asylum seekers to regularise their immigration status through advocacy and referrals to law firms and other agencies in 2015/16.

- Newham Carers Network – Funded by the London Borough of Newham, NCN provides advocacy, advice and support to unpaid carers and works to raise awareness of the needs of all carers. We also provide a range of Lottery funded health activities supporting carers to improve their physical and mental wellbeing. NCN raises the awareness of the rights of carers and the support available through high profile community events such as Carers' Week and Carers' Rights Day. Our service is widely regarded by the London Borough of Newham with whom we work in partnership by means of co-production and engagement and highly trained Carers champions who ensure that the needs of carers are included in the commissioning of all services. We estimate that we support approximately 2000 carers a year through a range of activities. In August 2015 Newham Carers Network moved from the Stratford Advice Arcade to our head office at 395 High St North. This has brought the benefits of reducing rental costs, building closer working relationships between the different services that The Renewal Programme delivers and also has resulted in a significant increase in referrals of newly identified carers.



Newham Carers Network first started supporting K as a young carer, when she was 10 years old and caring for her mum who has Epilepsy, chronic depression and is profoundly deaf. K was the sole carer for her mum. With the support of Newham Carers Network over the years, K still managed to cope with the ongoing anxiety of caring for her mum whilst completing her education, and went on to achieve a Masters Degree.

As an adult, K now has a family of her own and continues to live with and support her mum. K's mum went to visit K's grandmother abroad, which became extended. The family were unprepared for the impact on the benefits the family were relying on, which all stopped once K's mother left the UK. The family were facing eviction if they could not get the situation resolved. With Newham Carers Network support, K was able to obtain evidence that her mum couldn't return home as she was receiving psychiatric treatment abroad, and the benefits were reinstated.

K's husband has not been working as his English is poor, and this has compounded the financial challenge they were facing. But with support from The Renewal Programme, K's husband is now looking for work and K is receiving counselling to help her cope with continuing to care for her mum.

- Renewal Programme Children and Young People's Services help to prepare young people for life in today's world, divert them from anti-social behaviour and have fun through the provision of youth club activities. We work on four different sites in Newham, with other voluntary sector organisations and with local police and statutory services to secure the best possible outcomes for our young people. During the year we continued our 2-year contract from London Borough of Newham in conjunction with a number of other local voluntary sector providers through the Youth Providers Partnership. In the year to 31 March 2016, over 350 young people had participated in our activities, coming from a very wide range of ethnic and cultural backgrounds. We also work with another local voluntary sector organisation to deliver a programme called East Ham Active aimed at encouraging people who do not usually engage in exercise to get active and run a summer programme funded through East End Community Foundation.
- RP Training and Education is for people for whom a large college situation might be daunting; our primary aim is to enable people to achieve recognised qualifications and to progress to further or higher education and employment. During the year we ran 42 courses and enrolled 628 new learners over the academic year. Courses provided include ESOL, Maths, IT and Office Professional. 87% of our learners achieved a qualification. Subsequent to the year-end we agreed with London Borough of Newham to reduce the volume of educational activity to reflect the lower levels of funding that London Borough of Newham have available. As part of this we agreed to hand back the lease of The Woodgrange Learning Centre to the landlord, London Borough of Newham, on 30 August 2016.

## Newham Community Renewal Programme

### Trustees' annual report

#### For the year ended 31 March 2016

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- Renewal Programme Housing Services provides specialised support at our hostel for 31 homeless people with alcohol and substance misuse issues and housing management for a further 11 younger people with low levels of support need in another hostel. Our aim is to equip tenants with the skills and confidence needed for independent living and then to support them in finding suitable accommodation. The provision of supported housing is funded through a contract with London Borough of Newham on a rolling three-monthly basis. London Borough of Newham have advised us that they expect to run a competitive tender process for this activity at some point in the future. Also during the period we managed a housing unit at Durning Hall, however the freeholder of Durning Hall gave notice and the contract finished on 31 July 2015.
- In addition to our core services we provide space for Hire as Community Facilities. During the year we worked from The Hartley Centre and 395 High St North. The Hartley Centre was a community facility offering a wide range of indoor and outdoor activities for all ages and space for meetings, and over 1,000 people used The Hartley Centre each week. It is challenging to maintain older buildings used as community facilities where there is an obligation to pay a commercial rent for the building, and after discussion with London Borough of Newham, Hartley Centre groups and staff, the trustees decided to give London Borough of Newham notice on the lease for the Hartley Centre which finished on 9 October 2015. We continue to provide community space for hire and build community engagement around 395 High St North and have been successful in growing the use of the facility by community groups during 2015–16. 395 High Street North is a large de-commissioned United Reformed church and The Renewal Programme took a 10-year lease for the building from United Reformed Church on 8 August 2014.

#### The impact we have – helping people to be more resilient in future

4.1 Our services taken together mean we provide a rich mix and wide range of types of support, but specifically focusing on people living in and around Newham. Very often when a person and their family is facing a crisis, the issues they are facing can be multiple. The Renewal Programme's breadth of knowledge and expertise means we can draw on our internal resources to offer someone the most personal and tailored support possible to address their needs in the round.

4.2 Our success is where we have supported a beneficiary to go a journey where they can overcome their current challenges and become more resilient to facing the challenges that life throws at them in the future.

C came to the UK on a visitors visa in 1995. She began a college course and finished her studies in 1999. She then started work in a hospital catering service. Her visa had expired and she asked a lawyer to assist her but this did not work out. She gave up her job, fearing that she would not be able to answer her employers' questions. The loss of work resulted in her becoming homeless. C was introduced to RAMP by a friend, and with RAMP's encouragement, found another lawyer to work on her visa. This has been a long and difficult process but has led to success and a visa has been granted. However whilst waiting for the new visa, C was not allowed to work and had no recourse to public funds. RAMP was able to help her avoid destitution and homelessness by linking her up to Spare Room accommodation and also by providing food and clothing. RAMP was able to direct C to where she could apply for help in meeting her legal fees. C has now completed qualifications in IT, literacy and numeracy and Business administration with our Adult Education service, and is thrilled to be starting work. She is an active volunteer with The Renewal Programme and supports others by sharing with them ideas and suggestions for how they can overcome their own challenges.

#### 4.3 Our services have been facing increased demand and are heavily oversubscribed:

- We have seen a significant increase in referrals for our Newham Carers Network casework support since the service move to 395 High St North in August 2015, reflecting the unmet needs of the local community. At the beginning of this period we were involved in up to 70 individual in-depth casework clients a quarter, however this has risen to over 200 a quarter in the current period.
- Our training services has 47 learners who have been accepted for courses but how have not yet been placed because of the high level of demand for our courses.
- We receive more referrals than we have places at our supported housing service.
- Referrals to our RAMP service have been growing, whilst we saw around 1,000 clients last year, we have seen a 20% increase in client numbers since April 2016.

4.4 Our Youth however has had a reduced impact this year. Up until the end of September 2015 our Youth service was based at The Hartley Centre. This offered an extensive space that could accommodate large numbers of young people at the same time doing multiple activities such as football, table tennis, music, pool and dance. Whilst we made an extremely successful and smooth transition to a range of new venues in East Ham after this date without missing any sessions, the new venues do not have the space, capacity or equipment and facilities to offer the same spread and scale of activities. Subsequently the number of young people we are now supporting has fallen to reflect the reduced space on offer.



4.5 Whilst we produce numerical outputs for all our services, we now want to do more to be able to demonstrate the less tangible changes that our beneficiaries achieve and how this changes their life. To this end we are looking at implementing outcome measurement frameworks (in particular Outcomes Star™) across more of our services.

## Overall achievements and performance of the charity

5.1 The charity has seen significant change in recent years, including 2015–16, as a number of services have closed, either due to funding streams finishing or by agreement to end involvement in various properties. These closures have often resulted in some costs associated with redundancy and the logistics of closing services, as well as reducing the overall level of income of the charity. In this year the charity finished involvement at During Hall which provided low cost accommodation to local people; The Hartley Centre, a major community centre as set out above; and the charity also sold its fixed asset property in Palmerston Road, Forest Gate E7 from which it had been receiving rental income.

### Monitoring our performance

5.2 From April 2016 the charity has developed and implemented a number of Key Success Indicators so that the charity is better able to explicitly measure and report on performance. The Key Success Indicators cover:

- Numbers of beneficiaries supported in our services – RAMP, Training, Carers Network, Youth Clubs
- Our success in recovering rental income from tenants and in moving tenants onto their future housing
- The level of our staff sickness
- Our ability to keep to budget, including monitoring our applications for grant funding

### Fundraising

5.3 In terms of fundraising, this continues to be challenging. For our RAMP service, we were delighted to be awarded the Society of the Sacred Heart 3-year salary grant, however all of our other applications made in early 2015–16 were unsuccessful apart from two small applications. We have subsequently reviewed and revised the proposals and our Trustees signed off new proposals for the format of the RAMP service at the joint away day with senior managers in October 2015. The new proposal is set in a framework of partnership working with other organisations that can help us achieve greater scale of service offer, with a single front door for migrants and refugees in Newham, but working collaboratively to achieve more with the same or less resources. We are currently seeking funding for this new model, but have already been able to identify new partners to be part of the proposed service, including local legal firms who are offering pro-bono legal advice to RAMP beneficiaries.

5.4 In our other activities, we were delighted to secure further 3 years of funding for our Carers' Health programme from The Big Lottery. We also secured a grant to set up our Women's Group from the Church Welfare Association and funding for our Youth summer programme from East End Community Foundation.

### Our Strengths

5.5 The charity has a wide portfolio of services. As a result, our financial resilience is strengthened as we are not dependent on a single source of income. For our clients, our breadth of services means we can easily cross refer between services, for example, we have been able to provide supported housing to a young person who was attending our youth clubs and who became homeless. We have also been able to help many of our housing and refugee and migrant beneficiaries to take up our adult education classes in an environment they feel comfortable and familiar with. We draw strength from our long history of serving the people of Newham for over 45 years where we have gained a close connection to the local community and are a trusted source of help and advice which is served without judgement.

### Involving Volunteers and Supporters

5.6 The Renewal Programme's work is enriched by the contribution of our volunteers:

- 12 served on the Board during the year;
- 10 carers volunteered as Carer Champions during the year
- 15 people who have benefitted from our RAMP service help refugees who need emergency supplies of food and clothing and provide friendship and moral support;
- 2 Volunteers assisted in administrative roles to help with our finance and education work
- Teams of corporate volunteers do re-decoration which has been achieved through the partnership with East London Business Alliance.

5.7 We encourage young people participating in our youth services to volunteer – helping to set up and put away at the end of activities, and help with registration.

## Newham Community Renewal Programme

### Trustees' annual report

For the year ended 31 March 2016

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5.8 We were also delighted that 4 volunteers have got involved to help us set up our new women's group at our Supported Housing.



### Public Benefit

6.1 The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

6.2 The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

6.3 The Renewal Programme is achieving public benefit through the delivery of services to those in need in the London Borough of Newham and the surrounding boroughs; its work provides support to some of the neediest people of society, particularly those who are unlikely to find support from other statutory or third sector provision.

### Financial review

7.1 Incoming resources were £1,745,641 (2014–15: £2,016,484). Resources expended were £1,896,389 (2014–15: £2,045,025). Total funds at 31 March 2016 were £757,835 (2014–15: £908,583) with an overall deficit for the year of £150,748 (2014–15: £28,541). The Renewal Programme's unrestricted reserves increased to £734,820 from £273,861. Restricted reserves at 31 March 2016 were 23,015. The deficit for the year is after crediting the surplus on disposal of Palmerston Road of £385,463, and the loss on the write down of our leasehold interest in Woodgrange Road of £371,147.

## Newham Community Renewal Programme

### Trustees' annual report

#### For the year ended 31 March 2016

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7.2 The charity anticipated making a loss during 2015–16 due to the closure of activities (Durning Hall, Hartley Centre and Palmerston Road) but has succeeded through tight cost controls to achieve a smaller loss than anticipated. In particular, there are some one-off costs this year that arise from those changes, which contribute towards the loss for the year:

- Two month's costs of running The Hartley Centre whilst the building was emptied and closed down, without the benefit of hall hire income for those two months
- Redundancy costs during the year of £36,755 relating to the closures and also outsourcing payroll and HR.

7.3 The charity has found itself in a position in some instances where contracts or grants are finishing, staff have been consulted with and redundancy arrangements made, but then very late in the day news comes that funding is to start again. This lack of clarity and extended periods of uncertainty can give rise to staff and redundancy costs which could be avoided if funding news is received earlier.

7.4 Changes have been made to modify areas of work that were not adequately funded, and steps will continue through to the end of 2017, as outlined below in the section on "Plans for the Future". Significant changes to the charity's finances during the year were as follows:

- As mentioned above, the Hartley Centre was closed during 2015–16 as despite improving efficiencies there was no realistic prospect of stemming significant operating deficits on that community facility. Whilst The Hartley Centre generated a significant level of income, given there was no realistic chance of generating a surplus from this activity, the losses relating to this source of income should be restricted to 2015–16 only.
- The charity was required to relinquish Durning Hall in July 2015 through which the charity had been providing low cost rental accommodation to low income individuals. This will have a depressing effect on the future income of the charity.
- The charity sold its freehold property Palmerston Road, which had also been let at low cost rent to low income individuals. The charity had benefited from a small amount of rental income, however the significant sale price achieved has put the charity in a better position to manage cash flow.
- The cost of central services is also being addressed as contracts permit, and in particular by outsourcing the payroll and HR functions during 2015, and reducing the senior staff team by one post.
- As set out above, various restructuring costs have also contributed to the deficits during the year.

Other income streams of the charity continued as before, particularly those relating to Carers' Network, Training, Housing and Youth. As set out above, the charity achieved a new 3-year salary grant from the Society of the Sacred Heart for RAMP.

7.5 Throughout the period, the charity's operations continued to be reviewed with the aim of generating income, controlling expenditure, and managing cash flow effectively. Financial procedures and reports were also implemented to monitor the performance of key operations.

### Trustees' annual report

#### For the year ended 31 March 2016

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7.6 The cash reserves built by the sale of Palmerston Road mean that the charity is able to continue as a going concern despite making operating losses in the last 2 years. The sale of Palmerston Road achieved a sizeable sum, and this has enabled us to absorb the write down of Woodgrange Road where there is no realistic prospect of recovering the capital expenditure. Subsequent to this year, as the charity has disposed of Woodgrange Road lease, the charity now only has exposure to one lease, which is for its head office premises at High St North. The trustees anticipate that going forwards there will be less fluctuation in property related income and expenditure.

7.7 The charity does not have liabilities arising from and does not operate a defined benefit pension scheme for its staff.

7.8 The charity's investment strategy is to hold surplus funds in a deposit account with a High Street bank, providing suitable access to funds to support the charity's Reserves Policy.

### Principal risks and uncertainties

8.1 The Board and Senior Management Team have undertaken a thorough assessment of the risks faced by the organisation and, explored mitigation of the risks identified. Our priority risk remains managing financially, along with a focus on health and safety and welfare of our service users, staff and volunteers. Elsewhere, the Board has been satisfied that systems and procedures to manage risks have been adopted. The risk register is reviewed bi-annually. The Board has also participated in facilitated away days as part of the assessment process.

8.2 Specific risks the Board has considered and concluded are high-risk areas:

- Having sufficient income and keeping costs low. This has been a prime focus during the period and the Trustees are satisfied the charity has been making the tough but necessary adjustments to accommodate the reduction in income the charity has seen. This focus will continue through to 2016-17 as a further operating loss is anticipated during the current year, as the charity continues to realign to a reduced scale of operation.
- Managing cash flow. The Board have addressed this through the sale of Palmerston Road.
- Health and Safety of service users, staff and volunteers as well as the general public using our facilities. Some of the older and more challenging of the charity's properties have now been disposed of. The Board appointed a company to support the charity with HR and Health and Safety activity towards the end of year, securing professional advice to ensure the charity is taking the most appropriate steps in managing our buildings and services.
- Reliance on London Borough of Newham as a funder and managing uncertainties around contracts and interest in buildings. The Board have supported the Chief Executive to build a stronger relationship with key personnel at the Council and the Chief Executive has actively participated in key meetings between the council and the third sector. Discussions have been held with the council in advance of making significant decisions about The Hartley Centre and Woodgrange Learning Centre to ensure that the council is engaged in the decisions the charity is making. The short-term nature of the contract for housing services

### Trustees' annual report

#### For the year ended 31 March 2016

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remains a significant risk for the charity, and hampers long term strategic planning for housing services.

- Seeking ways to make RAMP financially sustainable. As set out above, the Board has made a clear decision to support RAMP because of the importance of the service to the people of Newham, and have agreed to a new model of service delivery that is now being presented to grant funders with a view to obtaining additional funding.

### Reserves policy and going concern

9.1 The Board aims to hold three to six months expenditure equivalent to between £400,000 and £800,000 as current assets within unrestricted reserves. At the year-end there were unrestricted reserves of £734,820.

9.2 That reserve held is required to meet potential entitlements to severance pay if that were to crystallise at the current time, plus the cost of fulfilling any contracts for utilities, rent etc. during the notice period required at the charity's properties. Ensuring there are sufficient funds to cover severance pay is essential due to the risk that contracts could come to an end and not be renewed, plus allowing the time to manage an orderly consultation period and exit for staff. The Board has continued with its strategy of funding RAMP from reserves as there is insufficient income to fully cover the cost of the service, but the Board believes it is an important service for the people of Newham.

9.3 During the year the Board agreed to sell the charity's freehold property at Palmerston Road. This was a terraced house from which the charity received a small amount of rental income from low-income individuals. The sale of property achieved sale proceeds of £595,000 which the trustees have placed on deposit. This has increased the charity's ability to manage cash flow fluctuations.

9.4 The Board aims to maintain unrestricted reserves at the current time to improve resilience in the event of crystallisation of risks with abnormal impact, such as loss of a major contract for services.

### Plans for the future

10.1 Our current strategy is to

- Reshape and refocus the charity on this lower level of turnover and activity, as the Board think it is unlikely that there will be significant opportunities for major new funding streams in future in Newham,
- Focus on preserving and maintaining current income streams for our advice and advocacy work, training and housing services. We have not therefore pursued income for services which are outside our current range of services.
- Grow our income base for our existing services where possible, in particular growing our income from grant and local fundraising. We have had some success in this area, in particular the charity received 3-year salary grant funding for RAMP from the Society of the

## Newham Community Renewal Programme

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Sacred Heart and a £3,000 grant from Church Welfare Association to set up a new women's group in our housing service which has been very popular.

- Ensure our back office and overhead costs are streamlined to reflect more reasonably the reduced size of the organisation. During the year we outsourced our payroll and HR functions to external providers at a lower cost than in-house provision.
- Reduce staff costs where possible, in particular we have preserved staffing of front line services but reduced the scale of senior management roles, reducing the number of directors by 1 post.
- Reduce our exposure to property related costs. At 1 April 2015 the charity was incurring costs in relation to seven properties, and as of the time of this report, the charity is now only involved in three properties.

10.2 In the past the charity has also prioritised community development work. However, this is now only a minor activity for the charity, as we now focus on delivering services of great quality to those who are most in need. Other charities in Newham specialise in community development work, and therefore it makes sense for us to avoid duplicating this effort in times of limited resources.

10.3 The Board do not expect the charity to grow its overall scale, but expect the income and service capacity of the charity to settle at current levels. The Board believes this provides a sustainable capacity for which funding can be sought in future and provides resilience against the risk of further reductions in funding for major contracts for services, particularly those held with London Borough of Newham. This approach allows the focus to be on sustaining the existing services and ensuring that the services are of the best quality.

10.4 The strategy of focusing on maintaining resilience and reducing overhead costs has some key features:

- In particular, as of 1 September 2016 the charity is only involved in three properties – our head office at 395 High St North, plus the two hostels which are operated through management agreements with the Housing Associations who own them. This reduces the charity's exposure to ongoing property costs which have been increasing, as properties get older, and health and safety requirements become more rigorous.
- The charity's income from contracts with London Borough of Newham, excluding housing benefit income, was 43% of the charity's income for the year to 31 March 2016. The Board feels this provides the charity with some mitigation of being reliant on a single funder.
- Work is continuing on reducing back office costs, with further work undertaken after the year-end to negotiate new contracts for telephones and IT. Reviews are also being carried on utilities such as gas and electric, to seek improved pricing.

10.5 The charity plans to continue with steps already being taken to maintain income streams for services being provided, particularly

- Bringing a renewed focus on fundraising through applications to grant making bodies
- Upgrading the charity's engagement in social media with a view to improving community fundraising and donor engagement

## Newham Community Renewal Programme

### Trustees' annual report

For the year ended 31 March 2016

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- Building strong relationships with other third sector providers in the borough to ensure the charity is in a good position to collaborate where required by funders, which is increasingly a focus of both London Borough of Newham and other key grant making bodies such as The Big Lottery.



## Structure, governance and management

Newham Community Renewal Programme (“The Renewal Programme”) is a company limited by guarantee and a registered charity. The company was incorporated on 31 August 1977 and registered as a charity on 5 June 1978. The objects of the Renewal Programme are set out in its governing instrument, the Memorandum and Articles of Association, as modified by the Companies Act 2006.

The governing body of the Renewal Programme are the Trustees, known as the Board of Management (Board); members of the Board are non-executive and unpaid. The Board meets ten times a year and retains full and effective control over the company; it monitors the performance of senior management and reviews the quality, effectiveness and timeliness of information provided by the senior management. It takes the lead in major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Renewal Programme. For the purposes of the Companies Act, the Board is considered to be the Board of Directors of the Renewal Programme and members of the Board are considered to be the Directors.

The Board may consist of not more than 20 members. Members are appointed for a term of 3 years. Every year, the longest serving one third of members must retire but are eligible for re-election.

Trustees may reasonably claim out of pocket expenses incurred such as for travel or training courses.

## Newham Community Renewal Programme

### Trustees' annual report

For the year ended 31 March 2016

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The Board is responsible for:

- Defining the ethos of the Renewal Programme;
- Setting and monitoring Renewal Programme policies;
- Employing all staff, including recruitment and staff development;
- Leasing or purchasing all premises used by the Programme;
- Applying for grants and holding funds, holding of contracts;
- Approving budgets and work plans for each area of work; and
- Appointing and monitoring the work of each of its sub-committees.

The Board delegates the management of the company to the Senior Management Team which comprises the Chief Executive – Ruth Bravery and the Directors – Louise Vera, Shirley Barber and until 3<sup>rd</sup> August 2015 Paul Leslie. (The titles of senior managers may include the word ‘director’ although these individuals are not Directors of the Renewal Programme under the Companies Act.)

### Appointment of trustees

New members are recruited either by word of mouth, advertisement or via East London Business Alliance which is an organisation engaged in matching business volunteers with charities in the area. All prospective Board members are invited to attend a meeting of the Board as observers, spend some time with the Chief Executive and are taken on a tour of the Renewal Programme before being formally asked to become members of the organisation and of the Board.

During the autumn of 2015 a recruitment exercise was undertaken at which several potential trustees were invited to an open evening to meet staff and trustees to learn more about the charity. As a result of that, two new trustees were appointed to the Board and formally joined in February 2016. This recruitment exercise was particularly focused on recruiting trustees with specific skills or areas of professional knowledge and expertise.

### Trustee induction and training

Trustees are kept regularly informed of suitable training offered from a range of organisations including Sayer Vincent, BWB legal firm and NCVO amongst others, covering a wide range of subjects such as legal, finance and trustee responsibilities. Trustees are able to recover their cost of travel and the course fee.

### Related parties and relationships with other organisations

The charity does not have any related or subsidiary undertakings. The charity is a member of the Youth Provider Partnership Community Interest Company through which the charity operates in partnership with 5 other local charities to deliver the contract for youth services across the London Borough of Newham.

## Remuneration policy for key management personnel

The charity operates according a pay scale that was implemented in 2011–12. No cost of living pay rises have been implemented since that date and the charity does not operate any kind of performance pay arrangement. The salary of the Chief Executive on appointment was set at £70,000 by the Board having reviewed salaries for Chief Executives in similar organisations.

## Employee information

During the year staff were individually consulted about changes to their role where there was a risk that the change may result in redundancy. Where possible, staff were found alternative roles elsewhere in the charity, and this was possible on some occasions.

All staff were invited to a meeting in June 2015 to discuss the changes happening at The Renewal Programme and involve staff in the decision making, get their feedback and hear their concerns.

## Funds held as custodian trustee on behalf of others

There are no funds held as a custodian on behalf of others. The charity does support our beneficiaries to make applications for personal welfare grants to other organisations. If these are paid to The Renewal Programme bank account, they are paid directly and immediately to the beneficiaries in question.

## Statement of responsibilities of the trustees

The Board members (who are also directors of Newham Community Renewal Programme for the purposes of company law) are responsible for preparing the report of the Board of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Board members are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation

## Newham Community Renewal Programme

### Trustees' annual report

#### For the year ended 31 March 2016

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The Board are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Board of Management are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2016 was 12 (2015: 10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The report of the Board of Management has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Board of Management on 7 November 2016 and signed on its behalf by

Mark Spencer Ellis  
Chair

Jonathan Griffiths  
Treasurer

## **Independent auditors' report**

**To the members of**

### **Newham Community Renewal Programme**

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We have audited the financial statements of Newham Community Renewal Programme Limited for the year ended 31 March 2016, which comprise the statement of financial activities, balance sheet 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Board of Management and auditors**

As explained more fully in the statement of Board members' responsibilities set out in the report of the Board of Management, the Board members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

## Independent auditors' report

To the members of

Newham Community Renewal Programme

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### Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the Board of Management, 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 Board members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Board members were not entitled to take advantage of the small companies' exemption in preparing the report of the Board of Management and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Joanna Pittman (Senior statutory auditor)

29 November 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors  
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

**Newham Community Renewal Programme Ltd**

**Statement of Financial Activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2016**

	Note	Restricted capital funds £	Restricted revenue funds £	Unrestricted funds £	2016 Total £	2015 Total £
<b>Income</b>						
<i>Income from generated funds</i>						
Donations and Legacies		-	-	13,292	<b>13,292</b>	13,465
Other Trading Activities		-	-	1,599	<b>1,599</b>	7,185
Income from investments		-	-	-	-	7
<i>Income from charitable activities</i>						
	2					
RP Training and Education		-	4,800	308,174	<b>312,974</b>	301,954
RAMP		-	83,308	9,884	<b>93,192</b>	37,558
RP Housing Services		-	3,000	717,881	<b>720,881</b>	782,800
Newham Carers' Network		-	93,009	208,288	<b>301,297</b>	327,917
RP Youth Services		-	28,370	106,549	<b>134,919</b>	142,618
Community Facilities		-	-	153,171	<b>153,171</b>	228,025
<i>Other Income - Surplus on disposal / write down of fixed assets</i>	6	-	-	14,316	<b>14,316</b>	174,955
<b>Total income</b>		-	<b>212,487</b>	<b>1,533,154</b>	<b>1,745,641</b>	<b>2,016,484</b>
<b>Expenditure</b>						
<i>Expenditure on raising funds</i>						
		-	-	3,185	<b>3,185</b>	3,807
<i>Expenditure on charitable activities</i>						
RP Training and Education		26,408	4,800	313,084	<b>344,292</b>	376,388
RAMP			84,952	23,683	<b>108,635</b>	76,074
RP Housing Services		3,549	3,000	724,061	<b>730,610</b>	749,611
Newham Carers' Network			88,609	239,794	<b>328,403</b>	392,698
RP Youth Services			31,225	95,119	<b>126,344</b>	152,776
Community Facilities		-	-	254,920	<b>254,920</b>	293,672
<b>Total expenditure</b>	3	<b>29,957</b>	<b>212,586</b>	<b>1,653,846</b>	<b>1,896,389</b>	<b>2,045,026</b>
Net (expenditure) before transfers between funds	6	(29,957)	(99)	(120,692)	<b>(150,748)</b>	(28,541)
Transfers between funds		(581,651)	-	581,651	-	-
Movement in funds		(611,608)	(99)	460,959	<b>(150,748)</b>	(28,541)
Funds at 1 April 2015		611,608	23,114	273,861	<b>908,583</b>	937,124
<b>Funds at 31 March 2016</b>	12	<b>-</b>	<b>23,015</b>	<b>734,820</b>	<b>757,835</b>	<b>908,583</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

## Balance sheet

As at 31 March 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible fixed assets	9	3,377	617,066
		<u>3,377</u>	<u>617,066</u>
<b>Current assets</b>			
Debtors	10	226,803	391,038
Cash at bank and in hand		835,527	153,185
		<u>1,062,330</u>	<u>544,223</u>
<b>Creditors: amounts due within one year</b>	11	<u>(307,872)</u>	<u>(252,707)</u>
<b>Net current assets</b>		<u>754,458</u>	<u>291,516</u>
<b>Net assets</b>		<u>757,835</u>	<u>908,582</u>
<b>Funds</b>			
Restricted funds			
Capital		-	611,608
Revenue		23,015	23,114
Unrestricted funds			
General		734,820	273,861
<b>Total funds</b>	12,13	<u>757,835</u>	<u>908,583</u>

Approved by the Board of Management on 7 November 2016 and signed on its behalf by

Mark Spencer Ellis  
ChairJonathan Griffiths  
Treasurer

**Newham Community Renewal Programme Ltd**  
**Company no. 1327924**  
**Statement of Cashflows**

**For the year ended 31 March 2016**

	<b>2016</b>		<b>2015</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>				
Net income/(expenditure) for the year	(150,748)		(28,541)	
Adjustments for:				
Depreciation charges	32,261		44,842	
Interest	-		(7)	
(Profit)/loss on sale of fixed assets	(385,464)		(174,955)	
Loss on write down of fixed assets	371,148		-	
(Increase)/decrease in debtors	164,235		(182,027)	
Increase/(decrease) in creditors	55,166		48,912	
<b>Net cash provided by (used in) operating activities</b>	<b>86,598</b>		<b>(291,776)</b>	
<b>Cash flows from investing activities:</b>				
Interest	-		7	
Proceeds from the sale of property, plant and equipment	595,744		246,979	
Purchase of tangible fixed assets	-		-	
<b>Net cash provided by (used in) investing activities</b>	<b>595,744</b>		<b>246,986</b>	
Change in cash and cash equivalents in the year	<b>682,342</b>		<b>(44,790)</b>	
Cash and cash equivalents at the beginning of the year	<b>153,185</b>		<b>197,975</b>	
Cash and cash equivalents at the end of the year	<b>835,527</b>		<b>153,185</b>	

**1. Accounting policies**

**a) Convention**

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). The Charity is a public benefit entity for the purposes of FRS 102 and therefore has also prepared the financial statements in accordance with the 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 (The FRS 102 Charities SORP) and the Charities Act 2011.

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

The following adjustments have been made in order to comply with the new SORP/ FRS 102. The effect on total funds or the net income and expenditure is shown in note 16. The main items were:

- Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.
- At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the parent charity to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £19,385.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the Charity's forecasts and projections. After making enquiries the trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

**b) Donations & Legacies**

Voluntary income is received by way of donations, legacies and gifts and is included in full in the statement of financial activities when receivable. Volunteer time is not included in the financial statements.

**c) Grants and Commissioned Services income recognition**

Income from grants and commissioned services is recognised in full in the statement of financial activities in the year in which the income is receivable.

**d) Rental income recognition**

Rental income is included in full in the statement of financial activities when receivable. Contractual and fee income is recognised in the financial statements to the extent that entitlement had been earned at the year end through performance of the contract.

**e) Deferred income**

Where unconditional entitlement to income receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the income is deferred.

## Newham Community Renewal Programme Limited

### Notes to the financial statements

#### For the year ended 31 March 2016

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#### 1. Accounting policies (continued)

##### f) Grants for the purchase of fixed assets

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund. Where a fixed asset is donated to the charity for its own use, it is treated in a similar way to a restricted grant.

##### g) Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Support costs include the salary and overhead costs not directly related to the charitable activity and Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. Support costs and Governance costs are allocated to the charitable activities in proportion to direct staff costs as follows:

	2016
RAMP	4%
Newham Carers' Network	25%
RP Youth Services	10%
RP Training and Education	19%
RP Housing Services	28%
Community Facilities	14%
	<u>100%</u>

Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work.

##### h) Depreciation

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

Furniture, fixtures and fittings	20% straight line
Office equipment	25% straight line
Freehold property	2% straight line
Leasehold property	over the life of the lease

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

##### i) Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs.

##### j) Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

**1. Accounting policies (continued)**

**k) Reserve transfers**

Transfers from general to restricted funds are made to cover funding shortfalls on restricted activities.

**l) Leased assets**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the length of the lease.

**m) Pension scheme**

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

**n) Donated goods**

Donated goods represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as incoming resources only when distributed. Assets given for use by the charity are recognised when receivable. Donated goods are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

**o) Financial Instruments**

Financial assets such as cash and debtors are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

**p) Debtors**

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

**q) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**r) Creditors and provisions**

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

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

**Newham Community Renewal Programme Limited**

**Notes to the financial statements**

**For the year ended 31 March 2016**

**2. Income from charitable activities**

**Restricted income**

	RAMP	Newham Carers' Network	RP Youth Services	RP Training and Education	RP Housing	<b>2016 Total</b>	2015 Total
	£	£	£	£	£	£	£
Big Lottery Fund (203 & 607)	-	72,819	-	-	-	<b>72,819</b>	93,062
Bonny Downs (609)	-	-	18,570	-	-	<b>18,570</b>	-
Catholic Clothing Guild	-	-	-	-	-	-	50
Carers' Trust (213)	-	20,190	-	-	-	<b>20,190</b>	25,749
East End Community Foundation	-	-	8,300	-	-	<b>8,300</b>	-
GlassPool Charitable Trust	570	-	-	-	-	<b>570</b>	750
Jack Petchey Foundation (606)	-	-	1,500	-	-	<b>1,500</b>	1,600
London Catalyst	5,000	-	-	-	-	<b>5,000</b>	-
London Over the Border Council	8,500	-	-	4,800	-	<b>13,300</b>	-
Mary Curtis Maternity Charity	600	-	-	-	-	<b>600</b>	1,600
Newby Trust Ltd	-	-	-	-	-	-	5,000
Society of the Sacred Heart	30,000	-	-	-	-	<b>30,000</b>	-
Seedbed Christian (Transform Newham)	7,500	-	-	-	-	<b>7,500</b>	5,400
South West Ham Child Society	19,620	-	-	-	-	<b>19,620</b>	-
St. Martin in the Fields	-	-	-	-	-	-	120
The Church Welfare Association	-	-	-	-	3,000	<b>3,000</b>	-
The Methodist Church	800	-	-	-	-	<b>800</b>	-
St Anthony Padua	2,800	-	-	-	-	<b>2,800</b>	-
Other (Welfare Grants below £500)	7,918	-	-	-	-	<b>7,918</b>	-
<b>Total restricted income</b>	<b>83,308</b>	<b>93,009</b>	<b>28,370</b>	<b>4,800</b>	<b>3,000</b>	<b>212,487</b>	<b>133,331</b>

**Newham Community Renewal Programme Limited**

**Notes to the financial statements**

**For the year ended 31 March 2016**

**2. Income from charitable activities (continued)**

**Unrestricted income**

	RAMP £	Newham Carers' Network £	RP Youth Services £	RP Training and Education £	RP Housing £	Community Facilities £	<b>2016 Total £</b>	2015 Total £
London Borough of Newham	-	206,238	102,733	297,395	147,296	-	<b>753,662</b>	701,976
Fee Income & Other Income	9,884	2,000	3,816	10,579	551,140	153,171	<b>730,590</b>	897,183
Chapter 1	-	-	-	-	19,445	-	<b>19,445</b>	35,000
Community Links	-	-	-	-	-	-	-	50,200
Donations - Individuals and organisations	-	50	-	200	-	-	<b>250</b>	3,181
	-	-	-	-	-	-		
<b>Total unrestricted income from charitable activities</b>	<b>9,884</b>	<b>208,288</b>	<b>106,549</b>	<b>308,174</b>	<b>717,881</b>	<b>153,171</b>	<b>1,503,947</b>	<b>1,687,540</b>
Donations and legacies							<b>13,292</b>	13,465
Fee income							<b>1,599</b>	7,184
Investment income							-	7
Profit / (loss) on sale and write down of fixed assets							<b>14,316</b>	174,955
<b>Total unrestricted income from generated funds</b>							<b>29,207</b>	<b>1,956,111</b>
<b>Total unrestricted income</b>							<b>1,533,154</b>	<b>1,883,151</b>

Newham Community Renewal Programme Limited

Notes to the financial statements

For the year ended 31 March 2016

3. Total expenditure

	Cost of Generating Funds £	Corporate services £	RAMP £	Newham Carers' Network £	RP Youth Services £	RP Training and Education £	RP Housing Services £	Community Facilities £	2016 Total £	2015 £
Staff costs (note 4)	3,185	177,902	28,534	189,195	73,250	146,396	210,200	106,036	934,698	954,625
<b>Project costs</b>										
Activities	-	3,260	34,248	9,934	14,277	14,799	237,677	593	314,787	287,993
Consultancy & Outsourcing	-	53,270	600	6,096	-	1,800	-	-	61,766	38,765
Bad debt expense	-	-	-	-	-	-	38,122	-	38,122	60,353
Maintenance & repairs	-	-	-	-	-	58	-	-	58	3,324
Publicity & subscriptions	-	-	616	1,072	290	265	-	437	2,680	4,114
Nursery costs	-	-	-	-	-	-	-	-	-	30
<b>Overheads</b>										
Office costs	-	105,066	1,471	5,106	1,088	4,398	23,060	9,593	149,781	175,233
Premises cost	-	27,652	28,900	22,255	818	76,855	111,534	81,027	349,041	456,288
Depreciation	-	-	-	158	-	26,532	4,929	642	32,261	44,842
Legal expenses	-	13	-	-	-	-	-	3,580	3,593	9,859
Audit fees	-	9,600	-	-	-	-	-	-	9,600	9,600
	3,185	376,763	94,369	233,816	89,723	271,103	625,522	201,908	1,896,389	2,045,026
Allocation of support & governance costs*	-	(376,763)	14,266	94,587	36,621	73,189	105,088	53,012	-	-
<b>Expenditure</b>	<b>3,185</b>	<b>-</b>	<b>108,635</b>	<b>328,403</b>	<b>126,344</b>	<b>344,292</b>	<b>730,610</b>	<b>254,920</b>	<b>1,896,389</b>	<b>2,045,026</b>

\*Costs have been apportioned based on staff costs for each service area.

## Newham Community Renewal Programme Limited

### Notes to the financial statements

#### For the year ended 31 March 2016

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#### 4. Staff costs

The average number of employees calculated during the year was:

	<b>2016</b>	2015
	<b>No.</b>	No.
RP Training and Education	<b>10</b>	13
RAMP	<b>1</b>	1
RP Housing Services	<b>11</b>	14
Newham Carers' Network	<b>7</b>	10
RP Youth Services	<b>11</b>	17
Community Facilities	<b>9</b>	6
Corporate Services	<b>5</b>	10
Governance	<b>-</b>	-
	<b><u>54</u></b>	<b><u>71</u></b>

Staff costs in respect of the above employees were as follows:

	<b>2016</b>	2015
	<b>£</b>	£
Salaries and wages	<b>761,461</b>	806,483
Social security costs	<b>56,740</b>	58,055
Pension contributions	<b>26,142</b>	25,624
Agency & temporary staff costs	<b>38,753</b>	27,237
Recruitment costs	<b>699</b>	18,068
Redundancy costs	<b>36,755</b>	5,399
Staff training and welfare	<b>5,078</b>	9,952
HR Support	<b>5,885</b>	-
Volunteer expenses	<b>3,185</b>	3,807
	<b><u>934,698</u></b>	<b><u>954,625</u></b>

One employee earned between £70,000 - £79,999 during the year (2015 – nil).

The employer pension contributions for this employee were £1,750 (2015 - nil).

The key management personnel of the Charity comprise the Chief Executive and Senior Management Team.

The total employee benefits of the key management personnel of the Charity were £164,204 (2015: £209,468)

#### 5. Board of Management expenses

No board member received any reimbursement of expenses for his/her services in the year (2015: NIL)

## Newham Community Renewal Programme Limited

### Notes to the financial statements

#### For the year ended 31 March 2016

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#### 6. Net expenditure for the year

This is stated after charging:

	2016 £	2015 £
Profit on sale of fixed assets	385,463	174,955
Loss on write down of fixed assets	<u>(371,147)</u>	<u>-</u>
Net Profit / (loss) on sale and write down of fixed assets	14,316	174,955
Depreciation	32,261	44,842
Auditors' remuneration (net of VAT)		
▪ for audit work	8,000	8,000
Operating lease rental:		
▪ property	66,400	168,886
▪ other	<u>7,727</u>	<u>22,281</u>

#### 7. Pension costs

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £26,142 (2015: £25,624). The charity has no liability other than to pay over contributions.

#### 8. Taxation

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

**Newham Community Renewal Programme Limited**

**Notes to the financial statements**

**For the year ended 31 March 2016**

**9. Fixed assets**

	Freehold property £	Leasehold property £	Office Equip & Fixtures and Fittings £	<b>Total £</b>
<b>Cost</b>				
At 1 April 2015	236,610	660,212	90,776	<b>987,598</b>
Disposals in year	(236,610)	-	-	<b>(236,610)</b>
At 31 March 2016	-	660,212	90,776	<b>750,988</b>
<b>Depreciation</b>				
At 1 April 2015	22,781	262,656	85,095	<b>370,532</b>
Charge for the year	3,549	26,408	2,304	<b>32,261</b>
Disposals/Write Down	(26,330)	371,148		<b>344,818</b>
At 31 March 2016	-	660,212	87,399	<b>747,611</b>
<b>Net book value</b>				
At 31 March 2016	-	-	<b>3,377</b>	<b>3,377</b>
At 31 March 2015	213,829	397,556	5,681	617,066

The leasehold property has been written down to nil as the property was handed back on 31 August 2016.

Newham Community Renewal Programme Limited

Notes to the financial statements

For the year ended 31 March 2016

10. Debtors

	2016 £	2015 £
Supported housing rent arrears	55,289	85,103
Trade debtors	18,300	140,926
Other debtors	657	658
Prepaid expenses	98,049	109,988
Accrued income	54,508	54,364
	<u>226,803</u>	<u>391,039</u>

11. Creditors: amounts due within 1 year

	2016 £	2015 £
Trade creditors	126,919	99,333
Accrued expenses	114,991	60,694
Deferred income	13,636	12,702
Housing benefit overpayments	-	46,763
Taxation and social security	16,115	16,505
VAT	21,849	-
Other creditors	14,362	16,709
	<u>307,872</u>	<u>252,706</u>

12. Movements in funds

2016	1 April 2015 £	Income £	Expenditure £	Transfer £	31 March 2016 £
<b>Restricted funds</b>					
Capital funds:					
Property fund	611,386	-	(29,735)	(581,651)	-
NCN Big Lottery capital	222	-	(222)	-	-
Revenue funds:					
RAMP	1,644	83,308	(84,952)	-	-
Newham Carers' Network	6,427	93,009	(88,609)	-	10,827
RP Youth Services	15,043	28,370	(31,225)	-	12,188
RP Training and Education		4,800	(4,800)	-	-
RP Housing		3,000	(3,000)	-	-
<b>Total restricted funds</b>	<u>634,722</u>	<u>212,487</u>	<u>(242,543)</u>	<u>(581,651)</u>	<u>23,015</u>
<b>Unrestricted funds</b>					
General funds	273,861	1,533,154	(1,653,846)	581,651	734,820
<b>Total unrestricted funds</b>	<u>273,861</u>	<u>1,533,154</u>	<u>(1,653,846)</u>	<u>581,651</u>	<u>734,820</u>
<b>Total funds</b>	<u>908,583</u>	<u>1,745,641</u>	<u>(1,896,389)</u>	<u>-</u>	<u>757,835</u>

Newham Community Renewal Programme Limited

Notes to the financial statements

For the year ended 31 March 2016

12. Movements in funds (continued)

2015	1 April 2014	Income	Expenditure	Transfer	31 March 2015
	£	£	£	£	£
<b>Restricted funds</b>					
Capital funds:					
Property fund	648,610	-	(37,224)	-	<b>611,386</b>
NCN Big Lottery capital	380	-	(158)	-	<b>222</b>
Revenue funds:					
RAMP	6,026	12,920	(17,302)	-	<b>1,644</b>
Newham Carers' Network	5,775	109,491	(108,839)	-	<b>6,427</b>
RP Youth Services	7,276	10,920	(3,153)	-	<b>15,043</b>
<b>Total restricted funds</b>	<b>668,067</b>	<b>133,331</b>	<b>(166,676)</b>	<b>-</b>	<b>634,722</b>
<b>Unrestricted funds</b>					
General funds	196,863	1,883,153	(1,878,349)	<b>72,194</b>	<b>273,861</b>
Designated funds - Choral Hall	72,194	-	-	<b>(72,194)</b>	
<b>Total unrestricted funds</b>	<b>269,057</b>	<b>1,883,153</b>	<b>(1,878,349)</b>	<b>-</b>	<b>273,861</b>
<b>Total funds</b>	<b>937,124</b>	<b>2,016,484</b>	<b>(2,045,025)</b>	<b>-</b>	<b>908,583</b>

## Newham Community Renewal Programme Limited

### Notes to the financial statements

#### For the year ended 31 March 2016

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#### 12. Movements in funds (continued)

##### Purposes of Restricted Funds

###### Property

This fund represents the net book value of tangible fixed assets purchased using restricted funding and the unspent funding received for future capital works. The property was disposed of in the period and there were no restrictions on the proceeds and therefore the fund balance has been transferred to unrestricted funds.

###### Refugee & Migrant Project (RAMP)

This is a series of funds that provide advocacy and support services to refugees, asylum seekers and others.

###### Newham Carers' Network Capital Fund

This funds equipment for the Carers' Health Outreach Worker, funded by the Big Lottery.

###### Newham Carers' Network

Funding from Carer's Trust funds emotional support to the families of 30 young carers and funding from The Big Lottery focuses on carer's physical and mental wellbeing.

###### Renewal Programme Youth Services

Funding from Jack Petchy provides equipment and support for young people using our Youth Service and East End Community Foundation funded a summer programme for young people in Newham. The funding for East Ham Active in association with Bonny Downs funds activities to keep people of all ages active, focused on people who would generally not use sports facilities.

###### RP Training & Education

London Over the Border Council have funded English classes for local church congregations.

###### RP Housing

Funding from The Church Welfare Association has enabled us to set up a women's group for our hostel tenants.

#### 13. Analysis of net assets between funds

	Restricted revenue funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	3,377	<b>3,377</b>
Current assets	23,015	1,039,315	<b>1,062,330</b>
Creditors: Amounts falling due within one year	-	(307,872)	<b>(307,872)</b>
Net assets at 31 March 2016	<b>23,015</b>	<b>734,820</b>	<b>757,834</b>

## Newham Community Renewal Programme Limited

### Notes to the financial statements

#### For the year ended 31 March 2016

#### 14. Related party transactions

There was 1 related party transactions in the year to 31 March 2016 (2015: 1).

Trevor Bravery is married to Ruth Bravery the CEO of the Renewal Programme. During the year payments totalling £800 were paid to Trevor Bravery at an arms length basis for services provided.

Aggregate donations from related parties were £134 (2015: £100).

#### 15. Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2016	2015
	£	£
<b>Equipment</b>		
Less than one year	7,727	10,913
One to two years	2,260	9,083
Two to five years	-	452
	<u>9,987</u>	<u>20,448</u>
<b>Property</b>		
Less than one year	66,400	129,417
Two to four years	199,200	199,200
More than five years	1,094,033	1,077,033
	<u>1,359,633</u>	<u>1,405,650</u>
<b>Total</b>	<u><u>1,369,620</u></u>	<u><u>1,426,098</u></u>

#### 16. Impact of transition to FRS 102 and SORP 2015

	At 31 March 2015	At 31 March 2014
	£	£
<b>Reserves Position</b>		
Funds previously reported	927,969	956,510
Adjustments on transition Holiday pay provision	<u>(19,386)</u>	<u>(19,386)</u>
Funds restated on transition	<u><u>908,583</u></u>	<u><u>937,124</u></u>
<b>Impact on Income &amp; Expenditure</b>	2015	
	£	
Net income / (expenditure) as previously reported	(28,541)	
Adjustments on transition Holiday pay provision	<u>-</u>	
Net income/(expenditure) as restated	<u><u>(28,541)</u></u>	

Newham Community Renewal Programme Limited

Notes to the financial statements

For the year ended 31 March 2016

17. Prior Year Statement of Financial Activities

	Note	Restricted capital funds £	Restricted revenue funds £	Unrestricted funds £	2015 Total £
<b>Income</b>					
<i>Income from generated funds</i>					
Donations and Legacies		-	-	13,465	<b>13,465</b>
Other Trading Activities		-	-	7,185	<b>7,185</b>
Income from investments		-	-	7	<b>7</b>
<i>Income from charitable activities</i>					
	2				
RP Training and Education		-	-	301,954	<b>301,954</b>
RAMP		-	12,920	24,638	<b>37,558</b>
RP Housing Services		-	-	782,800	<b>782,800</b>
Newham Carers' Network		-	109,491	218,426	<b>327,917</b>
RP Youth Services		-	10,920	131,698	<b>142,618</b>
Community Facilities		-	-	228,025	<b>228,025</b>
				-	
<i>Other Income - Surplus on disposal of fixed assets</i>		-	-	174,955	<b>174,955</b>
<b>Total income</b>		-	<b>133,331</b>	<b>1,883,153</b>	<b>2,016,484</b>
<b>Expenditure</b>					
<i>Expenditure on raising funds</i>					
		-	-	3,807	<b>3,807</b>
<i>Expenditure on charitable activities</i>					
RP Training and Education		26,408	-	349,980	<b>376,388</b>
RAMP		-	17,302	58,772	<b>76,074</b>
RP Housing Services		10,816	-	738,795	<b>749,611</b>
Newham Carers' Network		158	108,839	283,701	<b>392,698</b>
RP Youth Services		-	3,153	149,623	<b>152,776</b>
Community Facilities		-	-	293,671	<b>293,671</b>
<b>To Total expenditure</b>	3	<b>37,382</b>	<b>129,294</b>	<b>1,878,349</b>	<b>2,045,025</b>
Net (expenditure)/income and movement in funds	6	(37,382)	4,037	4,804	<b>(28,541)</b>
4Funds at 1 April 2015		<u>648,990</u>	<u>19,077</u>	<u>269,057</u>	<b>937,124</b>
<b>Funds at 31 March 2015</b>	12	<b><u>611,608</u></b>	<b><u>23,114</u></b>	<b><u>273,861</u></b>	<b><u>908,583</u></b>

## **Newham Community Renewal Programme**

**With huge thanks for our many donors and supporters during 2015-2016:**

The Big Lottery  
Redbridge food bank  
Church Welfare Association  
London Catalyst  
Society of the Sacred Heart  
Beaconsfield Team Ministry Outside Giving  
London Churches Refugee Fund  
London over the Border  
St Lukes Canning Town  
National Association of Heads and Deputies  
Mr H Duell  
Mr J Brown  
Forest Gate Women's Institute  
Nawaal Fund  
East End Community Foundation Newham Giving Fund  
Wesley Guild Brentwood Methodist Church  
Christ Church Chelmsford  
Ms F Anderson  
The German Embassy  
Bancroft School  
Royal Dock's School  
NewVic 6<sup>th</sup> Form  
Mega Bag  
Methodist Church Fund for Human Need  
Mr J Atkinson  
St Antony/s RC Parish Forest gate  
Ursuline Sisters Forest Gate  
St Johns Church, Stratford  
St Angelas School, Forest Gate  
St Bonaventures school,Forest Gate  
Kay Rowe Nursery ,Forest Gate  
Friends of Forest Gate  
Wansteads Friends, Quakers  
Forest Gate vegetable market  
St Barnabus church  
The Cooperative Forest Gate.  
St Saviours Church, Forest Gate  
His Church Charity  
St Thomas and St Edwards Church, Waltham Abbey  
St Edwards School Green Street  
Loyola Prep School , Buckhurst Hill  
Catholic Womens League  
Four Square Gospel  
South West Ham Childrens' Society  
Mr and Mrs M Driscoll  
Ghurdwara Neville Road  
Ms J L Powell  
St Pauls and St James Church  
Reverend Medway  
Sport England  
Carers' Trust  
Glasspool Charitable Trust  
Jack Petchy Foundation  
Mary Curtis Maternity Fund  
Transform Newham  
St Anthony Padua  
The Methodist Church