

Company Number: 03638571
Charity Number: 1078945

PRAXIS COMMUNITY PROJECTS

TRUSTEES' ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

The trustees present their report and the financial statements of Praxis Community Projects ("Praxis") for the year ended 31 March 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees of the charity, who are also the directors of the company, have held office since 1 April 2015, as follows:

Barbara Roche	<i>Chair</i>
Perico Rodriguez	<i>Vice Chair</i>
Simon Bass	<i>Treasurer and Chair, Finance sub-committee</i>
Fiona Thomas	
David Carrigan	
Elijah Sambo	
Pasha Michaelsen	
Clare Doube	
Jumana Rahman	<i>(appointed July 2015)</i>
Nick Pilkington	<i>(appointed September 2015)</i>
Colin Cormack	<i>(appointed September 2015)</i>
Tony Wright	<i>(appointed May 2016)</i>
Raphael Perret	<i>(appointed May 2016, treasurer designate)</i>

The principal address of the charity and the registered office of the company is the offices of Praxis at Pott Street, London E2 0EF

The following act for the charity in the capacity of:

Banker: HSBC plc, 465 Bethnal Green Road, London E2 9QW

Auditor: haysmacintyre, 26 Red Lion Square, London WC1R 4AG

The senior staff of Praxis are:

Sally Daghlian OBE	Chief Executive and Company Secretary
Jonathan Bell	Head of Finance & Resources <i>(interim)</i>
Maria Iglesias	Head of Services <i>(appointed March 2016)</i>
Bethan Lant	Casework quality and training manager
Mel Steel	Advice Service Manager
Sylvia Mellor	Finance Lead

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status

Praxis Community Projects is a registered charity and a company limited by guarantee not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound up during the period of membership, or within one year thereafter.

The members of the company comprise individuals, who are the trustees of the charity and the directors of the company, and certain groups that have a specific interest in the charitable activities of Praxis. The current members groups are:

Arewa Association
SACC - Salvador Allende Cultural Centre
Vamos Juntos
Diaspora Support Network
Uganda Social Justice Arena

Constitution

The company was incorporated on 25 September 1998 and is registered at Companies House under number 03638571. It took over the assets, liabilities and activities of The Robert Kemble Christian Institute ("RKCI") from 1 April 1999. It was registered as an incorporated charity with the Charity Commissioners under registration number 1078945 on 13 January 2000.

RKCI was originally established by a Deed of Declaration of Trust dated 6 June 1983 following the premature death of the Reverend Robert Kemble, a minister of the United Reformed Church, who had worked extensively with displaced people in Central London. Initial funding for the charity came from a bequest in Reverend Kemble's will. There were no restrictions attached to the use of this legacy.

The incorporated charity is now governed by the rules and regulations set down in its company Memorandum and Articles of Association which were originally dated 25 September 1998 and were subsequently amended on 29 November 1999 and 13 July 2006.

Organisational structure, governance and management

The overall strategic direction of the charity is determined by the trustees who meet formally six times a year. The trustees agree an annual work plan and budget. They also establish policies and procedures for the running of the charity. There are two sub-groups, *Finance sub-committee which meets six times a year* and reports to each of the main board meetings. The *Community Participation* sub group meets less often and its membership and purpose are being reviewed in the light of the development of our service-user forum and group work strategy. The finance sub committee take responsibility for monitoring and reporting to the board on key areas including financial planning and management, fundraising and risk management; when appropriate it recommends amendments to the standard policies and procedures of the charity. From time to time, small groups of trustees and staff work together to consider relevant strategic or operational issues. The board hold one away day per year to reflect on strategic issues.

The day to day management of Praxis is delegated to the Chief Executive and the senior management team; a head of services and a head of finance and resources. The Chief Executive of Praxis presents an overview report to each board meeting along with detailed reports on service delivery, quality assurance and performance. The finances of the organisation are governed by an agreed Finance Manual setting out delegated authorities. The trustees receive quarterly management accounts, including cash flows; their preparation is reviewed by the head of finance and the treasurer.

Organisational structure, governance and management

Method of recruitment, appointment, election, induction and training of trustees

Recruitment

Trustees are selected through an active search process led by the chair and a trustee recruitment panel, supported by the chief executive. They are selected on the basis of criteria established by the board as being necessary for the effective governance of the charity. These consist of relevant skills for the effective management of the charity, knowledge of the particular areas of work in which the charity is engaged, and an understanding of the communities with which the charity works. In this period we have been successful in recruiting a new treasurer to take over from the existing treasurer, whose intention is to stand down after many years on Praxis' board. We are pleased that we are able to have a period of handover to ensure effective succession.

Appointment and election

Each Trustee shall hold office for a period of three years from the date of appointment (or such shorter period as the Trustee may agree) and, if qualified, is eligible for reappointment for further periods (without limitation) of three years. A minimum of one third of the board places are reserved for individuals nominated by member groups.

Induction and training

New trustees receive formal induction, including meetings with the CEO and chair, key documents including the strategic plan, and opportunities to meet staff and shadow work. Individual trustees are eligible for governance related training courses.

Related parties and related parties transactions

- 1 The member groups normally make use of Praxis facilities, although this has not been possible over the last year due to health and safety works being carried out. Some trustees are also members of the member groups and will represent the concerns of the member groups at meetings of the board of trustees. This year these groups have been represented by Elijah Sambo.
- 2 Rent of £15,000 is payable annually in respect of the Pott Street premises, this is being increased to £20,000.
- 3 Robert Kemble Trustees Limited hold the head lease on the premises for which the landlord is the Thames North Trust, a body controlled by the United Reformed Church.

Remuneration policy for key management personnel.

Trustees are ultimately responsible for setting remuneration levels for the charity's most senior staff. The senior staff have been identified by the trustees as:

- Chief Executive
- Head of Services
- Head of Finance and Resources

Setting appropriate pay and rewards for these staff, the trustees consider among other things how pay is linked to the skills, experiences and competencies of the post; salary levels for comparable roles elsewhere in the sector; the charity's ability to pay and its track record in attracting and retaining committed and motivated employees. Salary levels are reviewed periodically by the trustees.

In 2015/16, the total pay for the senior staff was £133,163.

OBJECTIVES AND ACTIVITIES

Charitable objectives

The charitable objectives for which the charity is established are as follows:

- (a) to advance the education and relieve the poverty, sickness and distress of members of the public, particularly refugees, migrants and asylum seekers (the beneficial class) in particular but not exclusively by:
 - (1) the provision of counselling, translating and interpreting services regarding matters of importance to the beneficiaries of the charity, including the matter of detention and related issues;
 - (2) the provision of advice regarding financial matters, welfare benefits, housing, health, education, training and employment;
 - (3) the provision of ESOL classes and vocational training; and
 - (4) the carrying out of research to assess the needs of the beneficial class.
- (b) the provision of facilities for recreation or other leisure time occupation with the object of improving the conditions of life of those members of the beneficial class who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.
- (c) to advance the education of the public, in particular the beneficial class, of different cultures of the beneficial class through, but not exclusively, the provision of art and drama workshops and other similar cultural and educational activities.
- (d) the promotion of racial harmony by undertaking workshops which help people understand the causes and effects of racist attitudes and how individuals may learn to live with and overcome them.

Charitable activities

Following the appointment of a new CEO in 2014, Praxis trustees agreed a new strategy for the period 2015-18, in response to the changing internal and external environment. Praxis has redefined its vision and core purpose as set out below.

Praxis' Vision is for a society that welcomes displaced people and migrants, respects their human rights, enables them to live in dignity and make a contribution to the economic, social and cultural life of the UK. Our core purpose is to provide help and support for newly arrived and long- settled migrants to ensure that they are able to live in safety, meet their essential human needs and overcome the barriers they face to integrate, develop and thrive in the UK. We seek to challenge exclusion, build solidarity and improve policy and service provision by drawing on the lived experience of migrants and by supporting migrant communities for their voices to be heard.

Our goals and priorities for the next 3 years have been developed to strengthen the organisation to ensure that it is has a clear focus and impact, is operating as efficiently and cost effectively as possible; that it has a secure funding and administrative base and robust risk management to meet the demands of the environment. We aim to consolidate and focus our client services on the areas where there is greatest need and where we can achieve the most impact: core advice and support; homelessness and destitution; group work to build peer support and resilience.

As well as helping people with the immediate problems they face, our long term strategy is to influence and change the environment to create a more welcoming community in which people can thrive and integrate. We will seek ways to use the evidence from our service delivery to raise awareness of the problems faced by displaced people in

OBJECTIVES AND ACTIVITIES (continued)

order to influence policy, foster understanding and build wider support. Supporting people to speak for themselves is an integral part of this strategy.

In pursuance of the overall goals of its charitable objectives, Praxis undertook the following activities:

Praxis provided an **advice and casework service** specialising in the inter-relationships between immigration and other social policy areas, especially housing, health and employment. We offered thematic drop-in advice sessions (housing; immigration; form-filling) and took referrals from other agencies. As well as providing individual advice and casework services we have been providing group work sessions to build knowledge about rights and entitlements. We maintain registration with the Office of the Immigration Services Commissioner (OISC) to provide immigration advice up to Level Two and continue to support and train staff and volunteers to maintain or develop their accreditation. We work in partnership with law centres and other agencies to maximise best use of scarce resources and improve outcomes for clients.

We have worked in various ways to tackle **migrant destitution and homelessness**, by finding sustainable solutions for individuals. As well as addressing homelessness and destitution through our advice services, we have provided accommodation and support through our award winning Temporary Homes Project. We have provided specialist advice and casework for homeless migrants with complex immigration needs through the Street Legal project in partnership with St Mungos, a national homelessness charity. We have provided accommodation and support in an innovative social investment backed partnership with Commonweal Housing, which came to fruition this year; seven properties have been purchased using social investment from Big Society Capital, Trust For London, City Bridge and the Esmee Fairbairn Foundation to test the sustainability of a new cross-subsidy model of providing accommodation for vulnerable migrants with 'no recourse to public funds'.

Praxis **group work** is a key element of our strategy, with an estimated 300 people attending support groups in 2015-16. We ran a number of groups designed to build peer support, increase confidence and resilience, as well as enabling migrants to have a voice on matters of concern. These groups include Brighter Futures a self advocacy group for young unaccompanied and/or undocumented migrants and Praxis Family Care for victims of human trafficking and WINGS for young isolated mothers. We have developed a wide range of partnerships, so that other organisations and professionals can deliver complementary services to our clients from our premises. This includes English classes and therapeutic group work.

- Praxis **interpreting service** provided face to face interpreting within ten GP practices in Tower Hamlets, enabling people who need language support to have effective health consultations. The provision of this service in its current form is scheduled to end in September 2016, following the recommissioning of interpreting services through a consolidated community health contract in Tower Hamlets.
- Praxis also undertakes research to further its understanding of the communities it serves and advocates for its beneficiaries in multi-agency forums. We are commissioned to deliver the New Residents and Refugee Forum by the London Borough of Tower Hamlets, to ensure that the concerns and needs of new communities are raised with policy makers and service providers in LBTH and feed into their decision making and policy development processes.
- We participate in many pan-London, UK and European forums and networks focussing on issues of relevance from the strategic alliance on migrant destitution, to anti-trafficking and slavery to asylum and refugee policy matters. Where possible we support migrants to advocate for themselves.

These activities clearly benefit our stated beneficiaries without undue restriction. No charge is made to our beneficiaries for the services received.

These activities do not cause any identified issues of detriment or harm to the beneficiaries.

Grant making policy

Praxis does not currently give grants directly as a method of furthering its charitable objectives. However, the charity does administer two categories of grants awarded to individuals on behalf of restricted project funders. We also provide hardship payments to destitute residents in our housing projects.

Welfare Grants

Praxis staff apply on behalf of individuals for small welfare grants and disburse them on behalf of the donor charity. Praxis also receives block grants to a hardship fund distributed according to need. The funders are the Vicar's Relief Fund, St Martin in the Fields, the London Catalyst Samaritan Grant and the London Churches Refugee Fund.

PUBLIC BENEFIT

The objectives and activities, and achievement and performance sections of this report clearly set out the activities which Praxis undertakes for the public benefit.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the charity.

Praxis' charitable purpose is enshrined in its objects. Its programme of activities relate directly to these objects. The Trustees ensure that this purpose is carried out for the public benefit by delivering services relevant to the needs of our beneficiaries, thereby enabling them to settle effectively in the UK and contribute to society as a whole.

The structure of the Trustees report enables Praxis to report on the concrete and specific outcomes which have contributed to the overall benefit of our beneficiaries and the wider society.

ACHIEVEMENTS AND PERFORMANCE

Advice

Our weekly drop-in advice surgeries continued to work well during the 2015-16 financial year, although we regularly had to put a cap on the numbers, particularly at our weekly immigration drop-in. As in the previous year, over 50% of our advice cases in 2015-16 related to immigration, with many of those cases now out of scope of legal aid; limiting access to free advice from lawyers and law centres. The continuing closure and contraction of advice and immigration services across London means that desperate and vulnerable clients continue to travel long distances to see a Praxis adviser, and our advisers, caseworkers and volunteers continued to deal with high volume in an attempt to meet demand.

During the year the advice team worked with 1,634 clients (an average of 135 per month), with 2,101 ongoing active cases. Of these clients, 1,265 were new to Praxis (an average of 105 per month). The largest category of advice given was immigration (1,165 active cases or 55%). Other significant categories were welfare benefits (369 or 18%) housing and homelessness (291 or 14%) physical or mental health issues (56 or 3%); Community care issues for women & children (54 or 3%); welfare grants (50 or 2%).

Of the 1,165 immigration cases, more than half (618 cases or 53%) concerned clients who had insecure status or no status at all. 377 or 32% had a settled status or were naturalised, and 308 or 26% had limited status in the UK. 963 or 83% of all immigration cases concerned cases no longer within the scope of legal aid.

Many immigration cases take a very long time to resolve, in this period we have been able to secure status (including refugee status, indefinite leave to remain, limited leave to remain, replacement papers, and EEA residence) for 90 people. We have supported 14 people to successfully apply for citizenship, 25 to secure travel documents, 47 to challenge no recourse conditions, and 77 to access good quality legal representation. We have assisted clients to acquire £22,387 in additional welfare benefits to which they were entitled and £10,715 in backdated payments. We have successfully applied for and/or distributed more than £23,046 in charitable funds for destitute clients.

ACHIEVEMENTS AND PERFORMANCE (continued)

Advice (continued)

The lifting of the 'no recourse to public funds' condition continues to be a growing area of work for us, and the trend continued of local authority Social Services departments referring their clients to us for free help in making applications to challenge this restriction, as well as provide immigration casework for people who need to make other applications within the Immigration Rules.

In relation to **housing issues**, our advice team facilitated access to National Asylum Support Service (NASS) accommodation in 29 cases, supported 27 vulnerable families to obtain housing from social services under Section 17 of the Children Act 1989, supported access to social services housing under the Care Act 2014 in 25 cases where people had significant care needs, referred 23 families or individuals with NRPF to Praxis' housing program or housing provided by one of our partners, prevented homelessness in 20 cases (through referrals to night shelters, for example), referred 10 individuals or families to hosting, facilitated access to mainstream housing support from local councils in 6 cases, referred 4 cases to street homelessness outreach teams, and supported access to private rented accommodation in 2 cases.

Housing

Praxis has directly **provided safe, secure and high quality accommodation** to a total of 58 people over the past 12 months in our own housing programmes including 27 children. The majority of these people (34) were destitute and had no recourse to public funds (NRPF). In total, this equated to 11,540 nights of safe accommodation provided during the year. We received referrals from a total of 13 partner organisations and London Borough Councils of Islington, Croydon and Redbridge.

Expert immigration casework support was provided to over half of those resident in our housing, including dependent children. We helped secure the rights of refugees and victims of trafficking and make sure they had adequate support and welfare assistance to meet their medical and other needs.

Street Legal is now a pan-London service delivered in partnership with St Mungos and Refugee Action. It is a unique partnership bringing together the expertise of homelessness and migrant support organisations. Praxis has been successful – as lead partner in a partnership bid - in our application to the Big Lottery 'Help through a Crisis' fund to further develop this work, including a new strand of community engagement.

Group work

Praxis group work has flourished with an estimated 300 people attending support groups in 2015-16. This expansion meant that at peak, at least one group or workshop was running on every weekday. This year has seen a particular focus on building peer support, leadership and community-led work. This work helps meet our strategic aims of supporting people to become more resilient as well as supporting migrant voices, enabling people to contribute to policy discussions and the development of services.

Brighter Futures is a self-advocacy group for young migrants. Over the year, the group produced a film which aims to help young people to understand their rights to legal advice and to avoid the pitfalls of poor legal advice, which is a major issue facing migrants in London, whose cases are often jeopardised by poor advice. The group created a wellbeing toolkit for practitioners working with young migrants, after taking part in a series of workshops on mental health and coping mechanisms. Evaluations of this work show positive impact on the well being of participants.

ACHIEVEMENTS AND PERFORMANCE (continued)

Family Care is a supportive, peer-led group for survivors of trafficking or gender based violence and their children. The group aims to build solidarity, reduce isolation, and improve wellbeing. During the year Family Care members took part in several activities including conferences focusing on domestic violence.

W.I.N.G.S. is a child-friendly group for young women and mums, to engage in creative activities and skills workshops whilst developing friendships. This year group members have benefited from a series of parenting skills workshops, and have undertaken a substantial mapping exercise to record all free services for new mums with NRPF in London.

Praxis also facilitates a range of other therapeutic groups and workshops delivered by volunteers. We developed new partnerships with organisations outside the sector to increase our capacity and diversify what is on offer to our clients, including: ESOL classes; a choir; and Brave New Voices, which is a creative writing programme run by English PEN for young migrants which encourages self-expression and celebrates multi-culturalism.

Praxis Interpreting

During 2015-16 PI+ provided 5,970 hours of service to 12,842 patients in 10 GP surgeries in Tower Hamlets. In addition to direct interpreting for patients and clinicians, the team are involved in supporting health promotion and health management activities including – calling patients to remind of appointments, calling patients with chronic diseases for reviews (Asthma, COPD, Diabetes), flu vaccinations, alcohol screening, dementia screening questionnaires and translating documents (minutes of patient group meetings, instructions, policies, letters etc.) for the surgeries. PI+ provides Interpreting service in 20 languages, though almost 95% of service users are Sylhet (Bengali) speakers.

Indicators, milestones and benchmarks

All projects and services contribute to meeting the strategic plan and have clear targets, outcomes and milestones set out in operational plans. Regular performance reports are received by the board. The charity's database records the number and characteristics of people advised and their case records and regular file reviews assess the quality of the advice given. An annual client feedback survey is carried out.

Projects are independently evaluated wherever possible. External verifiers include the Advice Quality Standard, and OISC Level one and two accreditation. Praxis has Investment in People status and is ISO 9001 accredited.

PERFORMANCE OF PRAXIS ENTERPRISE CIC

Praxis Enterprise CIC was established in June 2013 and in June 2014 launched Praxis Language Gym. The purpose of the enterprise was twofold: to fulfil a social purpose in equipping migrants with the language and soft skills to make the most of their life and work in London and, in time, to create a reliable stream of unrestricted income to support the charity's work. This proved to be a difficult market and despite helping many students it was not possible to get the school onto a financially self-sustaining footing and the directors of the Enterprises CIC took the difficult decision to close down the company. The enterprise ceased trading on 14 July 2015. It was placed into creditors' voluntary liquidation on 6 August 2015 and the liquidation was completed by 14 December 2015.

Reasons for closure

The main reason for closure was that – after exhausting all possible options – there was no reasonable likelihood that the enterprise would be able to secure the number of students necessary to trade its way into a solvent position.

ACHIEVEMENTS AND PERFORMANCE (continued)

Representation on other bodies

Praxis is represented on or is a member of the following:

Advice UK
Anti-Trafficking Legal Project
Asylum support Network (*formerly London Destitution Advice Network*)
Black & Minority Ethnic Advice Network
Charity Finance Group (CFG)
Child Poverty action Group (CPAG)
City & Hackney Health & Social Care Forum
Detention Forum.
East London Business Alliance (ELBA)
FEANTSA – European Federation of Organisations working with homeless people
Focus on Labour Exploitation
Free Movement
GLA – Housing Equalities Standing Group
GLA – Refugee Integration Board - Migrant and Refugee Advisory Group
Homeless Link
Housing and Immigration Group
ILPA- Immigration Law Practitioners' Association
Inter-Agency Communications Forum
IOTI – Institute of Translating & Interpreting
Joint Council for the Welfare of Immigrants (JCWI)
Legal Action group (LAG)
London Hosting
Mentoring & Befriending Foundation
Migrants Children's Project
Migrant Rights Network
No Accommodation network(NACCOM)
Platform for International Cooperation on Undocumented Migrants (PICUM)
Refugee Children's Consortium
Refugee Council
Refugee Legal Group
Rights of Women – Athena Project
Strategic Alliance on Migrant Destitution
Third Sector Consortium (3SC)
Tower Hamlets Community Advice Network
Women's Migration and Asylum Network

Risk and corporate governance matters

One of our strategic goals is to develop a robust and sustainable charity, able to grow and respond to future needs. Like all voluntary organisations, we face a difficult external operating environment and **securing adequate funding is the major risk for Praxis**, along with the challenge of re building our reserves following the closure in 2015 of our social enterprise (fully reported in the 2014/15 accounts). We have addressed this risk by the following:

We have appointed an experienced consultant to review our fundraising and develop a three year plan, we have also recruited a new and experienced fundraiser and are looking to increase individual donations and support for the charity, as well as building on our support from trusts and foundations. We have secured funding for a communications manager, this role will support our influencing and advocacy on behalf of our beneficiaries but will also strengthen our ability to build a supporter base and fundraise.

We have secured some essential core funding, e.g. from the Esmee Fairbairn Foundation, Tudor Trust and City Bridge Trust, as well as a number of smaller trusts, including AB Charitable Trust. We have secured a number of significant multi-year grants ensuring more sustainability, including a five year grant from the Oak Foundation.

We have strengthened our management infrastructure with two new grant funded posts; head of services and head of finance and resources. Together these strengthen our strategic finance capacity and our ability to manage and develop new projects and ensure that these are soundly financed. We are strengthening our partnerships and focussing on our core objectives.

We hold regular meetings of the finance subcommittee and monitor the financial position including cash flow. We are making prudent decisions and not taking on projects or staff posts that do not cover their full costs. In the light of high profile charity closures the board is also reviewing the reserves policy and developing a contingency plan as part of our risk management.

Other risks include uncertainty about the future of our interpreting service as the Clinical Commissioning Group has commissioned interpreting and advocacy services as part of a £33m contract and at the time of writing we are unclear whether we will have a role in future delivery. This service has contributed to our unrestricted core income. Managing the risk of being a small provider within the complex world of commissioning is a challenge and we seek external expert help where possible, for example in relation to employment law and TUPE.

For some years we have been facing building related risks and have been involved in lengthy negotiations with the landlord (the Bethnal Green Meeting House of the United Reformed Church, and the Thames North Trust, which holds the former's properties in trust) in relation to a backdated rent review and the costs of repair, for which we have a two thirds liability. We are pleased that we have reached in principle agreement on these matters and will be agreeing a planned programme of repair for the future. This will enable us to manage the risks better and give us the ability to fundraise for an agreed schedule of works. The trustees note the benefits of the proposed new agreement, as we have security of tenure until 2025 and a renewable lease. For historic reasons the current lease is held by the Robert Kemble Trust on Praxis' behalf, however the intention is to transfer this to Praxis in 2016.

Operationally, the biggest risk is that we are overwhelmed by demand for our services, which is rising incrementally. The social and political environment for migrants, coupled with austerity measures, the restriction on entitlements to public services, legal aid and welfare support as well as the international context of rising refugee movements, conflict, forced labour and trafficking all drive demand. Our response has been to strengthen our capacity to support and manage staff, for example by creating a dedicated casework quality and training manager and a head of services.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2016****Risk and corporate governance matters (continued)**

We regularly review service delivery and have to limit the number of cases we can take on and limit the open access surgeries to regulate demand. We have a strong focus on staff support and supervision and provide external counselling support where necessary. This is important given the traumatic nature of many of the experiences of our client group, who have often experienced severe violence, loss, conflict or exploitation. We aim to consolidate and focus our client services on the areas where there is greatest need and where we can achieve the most impact.

In recent years the organisation has been at the forefront of tackling migrant homelessness and destitution. We have done this through a variety of ways, both practical and strategic and our Temporary Homes Project won an award for innovation in 2014. However, running supported accommodation projects for vulnerable people brings significant and varied risks. We are managing these in a number of ways, including bringing housing expertise to the organisation through the appointment of a head of services with considerable experience in this field. We have developed, updated and implemented a whole raft of policies and procedures along with providing staff training. Detailed risk assessment and management is carried out, with reports to every board. We are working closely with experienced large scale providers such as St Mungo's to tap into their expertise.

The board consider risk at each of its meetings and annually at the strategic review day. The Chief Executive acts as Company Secretary and advises the board on risk and corporate governance matters as an integral part of that role.

Through its membership of Advice UK Praxis has taken out professional indemnity insurance to cover advice, counselling, mediation and advocacy services on social welfare matters including immigration up to an amount in respect of any one claim of £1,000,000. The premium for this was £626 (2015 £913). Praxis also carries Trustees Indemnity Insurance. The cost of this insurance policy to the charity for 2015 was £700 (2015: £700).

The Robert Kemble Trust Limited continues to hold the lease on the Pott Street premises as Trustee for Praxis. Fiona Thomas is a trustee of Robert Kemble Trust as well as being a trustee of Praxis.

Doctors of the World offer services on the premises working in partnership with Praxis.
Right to Remain also have the use of office space.

FINANCIAL REVIEW

Total income of the group for the year were £1,580,779 (2015: £1,181,882) and total expenditure amounted to £1,321,631 (2015: £1,556,179). Overall there was a surplus for the group of £259,148 of which a deficit of £29,076 arose in the trading subsidiary, which was closed in July 2015. The deficit arising in the trading subsidiary was funded by loan finance extended by social investors in the previous and current financial years. These and other debts, amounting to £293,368 were written off on liquidation of the subsidiary. The remaining reduction in the funds of the charity was split between restricted (£10,382) and unrestricted funds (£84,263). The restricted element reflects the deployment of restricted funds against specific projects.

The largest contributors were:

Tower Hamlets Primary Care Trust
Big Lottery Fund
City Bridge
Paul Hamlyn Foundation
Trust for London
Esmee Fairbairn Foundation

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2016**

Grant making

During the year, Praxis administered the awarding of 430 (2015 -188) grants to individuals totalling £23,046 (2015: £12,602).

Reserves policy

The majority of the activity undertaken by the charity is in the carrying out of activities for which it receives grant, contract or donated income, some of which is treated as restricted funds given to the charity for specific projects for which it is accountable to the funders concerned. It is considered prudent to maintain a reserve in case a project exceeds its budget due to operational circumstances as well as to cover its working capital needs.

Generally, Praxis seeks to staff up its activities in a manner which provides sufficient flexibility to carry out its work without committing it to future staff funding commitments that it does not have the funding for but given the nature of the work it undertakes, some degree of mismatch, and therefore risk, is inevitable.

Finally, we also have a historic liability in the Pensions Trust Growth Plans which are now recognised as having characteristics of a defined benefit pension scheme and consequently a related pension deficit. This would be repayable on a 'crystallising event' although as Praxis uses the Pensions Trust for its auto-enrolment pension arrangements, other than on a cessation of activity, this is now operationally a more remote risk than previously.

The major risks for Praxis are therefore to:-

- Provide some reserve for projects which Praxis is obliged to deliver but where there is some risk over that delivery which cannot be fully priced into the work or where full cost recovery has not been achievable
- Provide the financial capacity to enable Praxis to manage its staff levels in accordance with the terms and conditions set out in the Staff Handbook and with legal obligations
- To provide for the working capital needed to operate Praxis successfully
- Provide some capacity to manage the operational expenditure at a time of uncertainty in its income streams, for example, whilst awaiting to hear from or putting a bid together for a funder
- Provide a general margin for unexpected events
- Recognise that the 'Growth Fund' element of the pension scheme is not fully funded and that Praxis may be liable for its resolution if a 'crystallising event' occurred.

The ability of Praxis to build up the level of reserves that it believes appropriate is limited by its overall capacity to build up a small surplus from its unrestricted income and restricted income. We have developed a plan to minimise the risk and will be reviewing the reserves target.

PLANS FOR FUTURE PERIODS

Praxis developed a new strategy for the period 2015-18 in response to the changing internal and external environment and we will continue to implement and review this strategy, in the light of the changing environment. We will focus on three core areas: advice and support; homelessness and destitution and group work, to build peer support and resilience. In addition,

- We will continue to seek ways to work in partnership to make best use of scarce resources and ensure we are playing to our strengths.
- We will strengthen existing partnerships and develop new ones, to help us meet our strategic objectives.
- We will seek new ways to deliver services, such as workshops to build people's knowledge and reduce the need for individual interventions on less complex matters.
- We will finalise our group work strategy and develop our user involvement strategy to make sure that migrant voices are heard.
- We will continue to advocate and raise awareness of the issues facing vulnerable migrants, and will finalise our communications strategy and develop our ability to influence.
- We will continue to have a strategic focus on the growing problems of migrant homelessness and destitution.
- We will identify how we can best support EU migrants - the referendum debate and Brexit have created concern and uncertainty and many EU migrants are already turning to Praxis for advice and support.
- We will continue the process of developing the organisation's infrastructure and capacity to make it robust and sustainable.

FUNDS HELD AS CUSTODIAN

Although the charity maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, Praxis does not currently hold, and the Trustees do not intend that it will in the future hold, any funds as custodian for any third party.

During the year Praxis held funds donated by St Martin's in the Field (Vicar's Relief Fund), London Churches Refugee Fund, London Catalyst (Samaritans) and the Newby Trust to be distributed to destitute clients in accordance with the funds rules.

Statement of trustees' responsibilities

The trustees (who are also directors of Praxis Community Project for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and 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 trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper 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 we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees 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 the financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

In preparing this report the Trustees have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 15 November 2016 and was signed for and on behalf of the Board by:

B.M. Roche Barbara Roche - Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRAXIS COMMUNITY PROJECTS

We have audited the financial statements of Praxis Community Projects for the year ended 31 March 2016 which comprise the Group's Statement of Financial Activities (incorporating an Income and Expenditure account), the Group and Parent Charitable Company's Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed auditor under the Companies Act 2006 and Section 144 of the Charities Act 2011 and report in accordance with those acts. 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

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's net movement in funds, including the group's and the parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRAXIS COMMUNITY PROJECTS (continued)

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Mirza Jessa

Senior Statutory Auditor

For and on behalf of haysmacintyre, statutory auditors

26 Red Lion Square , London WC1R 4AG

Date: 15/11/2016.

PRAXIS COMMUNITY PROJECTS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 March 2016

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 (Restated) £
INCOME FROM:					
Donations & Legacies	1	187,691	5,000	192,691	20,518
Investments		165	-	165	1,533
Raising funds:					
Fundraising	2	4,378	-	4,378	4,407
Fundraising trading	8	52,700	-	52,700	97,983
Charitable activities:					
Advice Services	3	49,321	437,329	486,650	596,406
Housing & Homelessness	3	127,215	124,037	251,252	163,225
Interpreting	3	299,575	-	299,575	297,810
Other	16	293,368	-	293,368	-
TOTAL INCOME		1,014,413	566,366	1,580,779	1,181,882
EXPENDITURE ON:					
Fundraising trading	8	81,776	-	81,776	350,149
Charitable expenditure:					
Advice Services	4,7	52,914	550,838	603,752	639,696
Housing & Homelessness	5,7	129,475	178,912	308,387	211,162
Interpreting	6,7	327,716	-	327,716	355,172
TOTAL EXPENDITURE		591,881	729,750	1,321,631	1,556,179
NET INCOME/(EXPENDITURE)		422,532	(163,384)	259,148	(374,297)
Transfer between funds		(143,766)	143,766	-	-
NET MOVEMENT IN FUNDS		278,766	(19,618)	259,148	(374,297)
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 April 2015	13	(161,170)	35,000	(126,170)	248,127
FUND BALANCES CARRIED FORWARD 31 MARCH 2016		117,596	15,382	132,978	(126,170)

The charity's subsidiary ceased trading in July 2015. Items shown as fundraising trading relate to discontinued operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses are included in the Statement of Financial Activities.

The notes on pages 19 to 29 form part of these financial statements.

	Notes	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
FIXED ASSETS					
Tangible assets	10	15,257	59,502	15,257	6,185
CURRENT ASSETS					
Debtors	11	127,088	133,478	127,088	107,345
Cash in hand and in bank		174,832	148,236	174,832	147,909
		301,920	281,714	301,920	255,254
CREDITORS					
amounts falling due within one year	12	(184,199)	(174,736)	(184,199)	(123,316)
NET CURRENT ASSETS		117,721	106,978	117,721	131,938
TOTAL ASSETS LESS CURRENT LIABILITIES		132,978	166,480	132,978	138,123
CREDITORS					
amounts falling due after one year	8	-	(292,650)	-	-
NET ASSETS		132,978	(126,170)	132,978	138,123
FUNDS					
Restricted Funds	13	15,382	35,000	15,382	35,000
Unrestricted Funds	13	117,596	(161,170)	117,596	103,123
TOTAL FUNDS		132,978	(126,170)	132,978	138,123

The financial statements have been prepared in accordance with the special provision relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the trustees and authorised for issue on 15 November 2016 and signed on their behalf by

B.M. Roche Barbara Roche, Chair

S Bass Simon Bass, Treasurer

The notes on pages 19 to 29 form part of these financial statements.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

a. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015) – (Charities SORP (FRSSE)) and the Companies Act 2006.

b. Basis of consolidation

The financial statements consolidate the charitable company and its subsidiary undertaking, Praxis Enterprise CIC on a line-by-line basis, until Praxis Enterprise CIC ceased trading in summer 2015. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Praxis Community Projects.

c. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by the Charities SORP (FRSSE) the restatement of comparative items was required. It has been concluded that no restatements were required.

d. Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the trustees confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future.

e. Fixed assets

In line with the requirements of the Accounting Standard, Financial Reporting Statement No 15, expenditure on fixed assets is capitalised where the cost (or the value if donated) is in excess of £5,000; otherwise it is written off through the Statement of Financial Activities. Costs of replacements of major equipment and pianos are charged to designated funds set aside for that purpose by appropriations from Revenue.

Tangible fixed assets are depreciated at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected life, as follows:-

Furniture, fittings and equipment - 33 1/3% per annum

f. Funds

The different funds are defined as follows:

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Unrestricted funds are those funds available to the charity for its general purposes.

It is the policy of the trustees to retain unrestricted funds, amounts in which in their judgement, can help to mitigate the short term effect of income volatility and retain funds to generate sufficient income to meet current and future operational activities of the charity.

g. Income recognition

This comprises fees receivable from the various activities and investment income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy with the title of the asset having been transferred to the charity.

Income from government and other grants, whether 'capital' or 'revenue' grants. Is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

h. Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise mainly of the provision of accommodation including welfare and catering, premises and administrative costs.

Support costs have been allocated to charitable activities. Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice

i. **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.

j. **Cash at bank and in hand**

Cash at bank and in hand includes bank accounts, 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.

k. **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.

l. **Pension Scheme**

The charity makes contributions into a defined contribution scheme on behalf of all employees who have enrolled in the scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contribution payable for the year.

m. **Estimation uncertainty**

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

o. **Financial instruments**

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.

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
1. DONATIONS & LEGACIES				
Donations from individuals, trusts and other similar institutions	187,691	5,000	192,691	20,158
2. FUNDRAISING INCOME				
Services provided by Praxis	-	-	-	-
Rent receivable under operating Leases	4,378	-	4,378	4,407
	4,378	-	4,378	4,407
3. CHARITABLE ACTIVITIES				
Grants and contract income	476,111	561,366	1,037,477	1,057,441
4. ADVICE SERVICES				
Direct Costs:				
Staff Costs (note 9)	32,631	355,575	388,206	400,728
Other costs	4,997	94,355	99,352	120,285
	37,628	449,930	487,558	521,013
Support costs (note 7)	15,286	100,908	116,194	118,683
	52,914	550,838	603,752	639,696
5. HOUSING & HOMELESSNESS				
Direct Costs:				
Staff Costs (note 9)	39,574	121,442	161,016	87,738
Other costs	78,056	21,121	99,177	97,439
	117,630	142,563	260,193	185,177
Support costs (note 7)	11,845	36,349	48,194	25,985
	129,475	178,912	308,387	211,162

6. INTERPRETING

	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016	Total Funds 2015
Direct Costs:				
Staff Costs (note 9)	249,638		249,638	266,331
Other costs	3,359	-	3,359	9,962
	252,997	-	252,997	276,293
Support costs (note 7)	74,719	-	74,719	78,879
	327,716	-	327,716	355,172

7. SUPPORT COSTS

	Advice	Housing	Interpreting	Total 2016	Total 2015
	£	£	£	£	£
Staff Costs (note 9)	25,456	10,559	16,370	52,385	47,689
Premises Costs	36,060	14,957	23,188	74,205	68,297
Depreciation – Owned Assets	2,548	1,056	1,638	5,242	2,774
Other Costs	52,130	21,622	33,523	107,275	104,737
	116,194	48,194	74,719	239,107	223,547

Support costs consist of premises and office costs and are distributed by staff ratio.

8. NET INCOME FROM TRADING SUBSIDIARY

	Total 2016 £	Total 2015 £
Turnover	52,700	97,983
Cost of Sales	(53,245)	(183,472)
Gross Profit	(545)	(85,489)
Administrative Expenses	(28,531)	(166,677)
Operating Loss	(29,076)	(252,166)

The company was principally engaged in a new innovative method of teaching English called Praxis Language Gym and went into voluntary liquidation in July 2015

	2016	2015
9 STAFF COSTS		
	No.	No.
The average monthly number of employees employed by the charity during the year (excluding trustees) was:-		
Charitable activities	16.5	16.5
Support & governance	3.5	3.5
Fundraising trading	1.0	4.5
	<u>21.0</u>	<u>24.5</u>
	=====	=====
Staff costs for the above persons:	£	£
Wages and salaries	650,461	772,638
Social security costs	54,828	71,543
Pension costs	14,685	15,042
Temporary staff costs	165,441	77,297
	<u>885,415</u>	<u>936,520</u>
	=====	=====
Staff costs by service area	2015	2015
Staff costs by service area:	£	£
Advice Services	388,206	168,818
Housing & Homelessness	161,016	266,331
Interpreting	249,638	319,648
Support	52,385	47,689
Fundraising trading	34,170	134,034
	<u>885,415</u>	<u>936,520</u>
	=====	=====
Of which attributable to key management personnel (excluding consultancy fees)	66,685	92,905
	<u>66,685</u>	<u>92,905</u>
	=====	=====

No employee received emoluments greater than £60,000 in either the current or previous year.

The trustees neither received nor waived any emoluments for their services to the charity, and were not reimbursed for any expenses incurred on behalf of the charity during the current or previous year.

The charity has taken out an insurance policy that provides professional insurance cover for the trustees. The cost of this insurance for the year was £700 (2015: £700).

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
10. TANGIBLE FIXED ASSETS - EQUIPMENT				
Cost:				
1 April 2015	118,754	99,770	51,797	50,516
Additions	-	18,984	14,314	1,281
Disposals	(46,904)	-	-	-
Balance at 31 March 2016	<u>71,850</u>	<u>118,754</u>	<u>66,111</u>	<u>51,797</u>
Depreciation:				
1 April 2015	59,252	43,972	45,612	42,838
Charge for the period	9,706	15,280	5,242	2,774
Depreciation on disposals	(12,365)	-	-	-
Balance at 31 March 2016	<u>56,593</u>	<u>59,252</u>	<u>50,854</u>	<u>45,612</u>
Net Book Value:				
31 March 2016	<u>15,257</u>	<u>59,502</u>	<u>15,257</u>	<u>6,185</u>
11. DEBTORS				
Amounts due within one year:				
Trade Debtors	53,316	116,223	53,316	93,450
Accrued Income	62,507	6,727	62,507	6,727
Prepayments	10,765	7,040	10,765	3,680
Loans to Staff	500	3,488	500	3,488
	<u>127,088</u>	<u>133,478</u>	<u>127,088</u>	<u>107,345</u>
12. CREDITORS – Falling due within one year				
Trade creditors	73,131	106,189	73,131	76,739
Other taxes & social security	30,206	36,164	30,206	29,141
Sundry creditors	939	4,652	939	8,436
Accruals	10,822	27,731	10,822	9,000
Deferred Income	69,101	-	69,101	-
	<u>184,199</u>	<u>174,736</u>	<u>184,199</u>	<u>123,316</u>

13. CHARITY FUNDS	As at 1 April 2015 £	Income £	Expenditure £	Transfers £	As at 31 March 2016 £
Restricted income funds					
London Borough of Tower Hamlets	-	25,653	(37,259)	11,606	-
BBC Children in Need	-	9,317	(15,754)	6,437	-
Comic Relief	-	31,096	(52,743)	21,647	-
The Big Lottery	-	115,353	(128,312)	12,959	-
Unbound Philanthropy	25,000	-	(25,002)	2	-
Migration Foundation	-	12,154	(6,077)	-	6,077
Oak Foundation	-	23,034	(35,591)	12,557	-
Homelessness Foundation	10,000	-	(10,000)	-	-
NHS East London & City	-	43,635	(54,345)	10,710	-
Legal Education Foundation	-	33,011	(45,376)	12,365	-
Bridge House Trust	-	63,000	(58,138)	138	5,000
St Mungos Broadway	-	39,340	(60,059)	20,719	-
British Red Cross	-	10,260	(15,571)	5,311	-
East End CAB	-	14,666	(22,926)	8,260	-
Trust for London	-	50,000	(70,754)	20,754	-
Paul Hamlyn Foundation	-	56,458	(56,458)	-	-
Other Trusts	-	39,389	(35,385)	301	4,305
Total restricted funds	35,000	566,366	(729,750)	143,766	15,382
Unrestricted income funds					
General fund	103,122	668,345	(510,105)	(143,766)	117,596
Total Charity Funds	138,122	1,234,711	(1,239,855)	-	132,978
GROUP FUNDS					
Restricted funds as above	35,000	566,366	(729,750)	143,766	15,382
Unrestricted general funds	(161,170)	1,014,413	(591,881)	(143,766)	117,596
Total Group Funds	(126,170)	1,580,779	(1,321,631)	-	132,978

As explained in the Accounting Policies, the Restricted Funds represent grants and donations given to the charity for specific projects on which it is accountable to the donors.

During the course of the year, all projects have been reviewed to determine the appropriate status with regard to their treatment as restricted or unrestricted reserves and adjustments made as necessary. Central shared costs are recovered from each project on the basis of staff time, and where this has resulted in a deficit in a restricted project funds have been transferred from general reserves. Remaining balances carried forward as restricted reserves represent ongoing commitments to complete works outstanding as at 31 March 2016 or where any remaining funds are restricted to the purposes for which they were received

14. ANALYSIS OF NET ASSETS BETWEEN CONSOLIDATED FUNDS

	Fixed assets	Net current assets	Total
	£	£	£
Restricted funds:	-	15,382	15,382
Unrestricted funds:	15,257	102,339	117,596
NET ASSETS	15,257	117,721	132,978

15. PENSION COMMITMENTS

Praxis Community Projects participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Praxis paid contributions from 1% to 7.5% during the accounting period. Members paid contributions at the rate of 1% to 3% during the accounting period.¹

As at the balance sheet date there were 21 active members of the Plan employed by Praxis. Praxis continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

15. PENSION COMMITMENTS (continued)

The valuation results at 30 September 2014 were completed in 2015 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £793 million and the Plan's Technical Provisions (i.e. past service liabilities) were £970 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £177 million, equivalent to a funding level of 82%.

The financial assumptions underlying the valuation as at 30 September 2014 were as follows:

	% p.a.
Rate of return pre retirement	4.2
Rate of return post retirement:	
Active/Deferred	3.3
Pensioners	3.3
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	3.1
Inflation: Consumer Prices Index (CPI)	2.2

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Plan at 30 September 2015. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Plan to £857 million and indicated a fall in the Plan's deficit to approximately £139 million, equivalent to a past service funding level of 86%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2014 valuation was forwarded to The Pensions Regulator, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

15. PENSION COMMITMENTS (continued)

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.

Praxis has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2015. As of this date the estimated employer debt for Praxis was £128,948

16. DISCONTINUED ACTIVITIES

In the summer of 2015, after the balance sheet date of 31 March 2015 the directors of Praxis Enterprise CIC decided to stop trading and place the enterprise into voluntary liquidation. As a result, the investment in the subsidiary was written down to nil along with the inter-company balances as at 31 March 2015. Loan balances were waived during the year and written back as at 31 March 2016. Upon liquidation, debts owed by Praxis Enterprise CIC totalling £293,368 were written back and have been included as income in these financial statements.