

Company Number: 03638571

Charity Number: 1078945

PRAXIS COMMUNITY PROJECTS

TRUSTEES' ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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 (retired March 2017)</i>
Fiona Thomas	<i>(retired September 2016)</i>
David Carrigan	
Elijah Sambo	
Pasha Michaelsen	
Clare Doube	
Jumana Rahman	
Nick Pilkington	
Colin Cormack	
Tony Wright	<i>(appointed May 2016)</i>
Raphael Perret	<i>(appointed May 2016, treasurer and Chair Finance Sub Committee from 10 March 2017)</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
Ian McLintock	Head of Finance & Resources <i>(appointed April 2017)</i>
Maria Iglesias	Head of Services

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 and the 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 is one sub-group, the Finance sub-committee which meets six times a year and reports to each of the main board meetings. 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. From time to time, small groups of trustees and staff work together to consider relevant strategic or operational issues. The board hold an annual strategy away day. The *Community Participation* sub group of the board no longer meets, as following a review of its effectiveness and of our growing work with service-users it was agreed to invest more resources in the development of our service-user forum, which is attended by a board member, as a mechanism to involve service users more effectively in our governance

The day to day management of Praxis is delegated to the Chief Executive and the senior management team. The Chief Executive presents an overview report to each board meeting, along with reports on service delivery, quality assurance and performance. The trustees receive quarterly financial reports and management accounts, including cash flows.

Organisational structure, governance and management

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

Recruitment

Trustees are selected through an open 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, comprising relevant skills and experience, knowledge of the areas of work in which the charity is engaged, and an understanding of the communities with which the charity works.

Appointment and election

Trustees 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, are 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, currently 2 places are vacant.

Induction and training

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

Diversity

The Board has not set diversity targets, but is diverse, in terms of gender, age, nationality and ethnicity and maintaining diversity is a factor in board recruitment. There is stakeholder representation on the Board and the board is supporting the new service –user Forum to develop stronger engagement in governance.

Related parties and related party transactions

- 1 From time-to-time member groups make use of Praxis facilities. One trustee is a member of one of these groups and represents their views at Board meetings.
- 2 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.
3. Rent of £20,000 is payable annually in respect of the Pott Street premises to the United Reform Church

Remuneration policy for key management personnel.

Trustees are ultimately responsible for setting remuneration levels for the charity's senior staff; the Chief Executive, Head of Services and Head of Finance and Resources.

In setting their remuneration, 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.

OBJECTIVES AND ACTIVITIES

Charitable objectives

The charitable objectives are to:

- (a) 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) provide 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) 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) promote 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

Praxis' 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.

We target our direct services on the most vulnerable people, with the greatest need, and where we can achieve the most impact. Our beneficiaries include people with insecure status, those who have experienced trafficking or enslavement, asylum seekers and refugees, homeless and destitute migrants and victims of exploitation and gender violence. We focus our activities on three main areas: advice and support; homelessness and destitution; and group work.

As well as helping people with the immediate problems they face, we work to influence and change the environment to create a more welcoming community in which people can thrive and integrate. We seek ways to use the evidence from our service delivery to raise awareness of the problems faced by displaced people in order to influence policy, foster understanding and build wider support. Supporting people to speak for themselves is an integral part of this strategy.

OBJECTIVES AND ACTIVITIES (continued)

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 maintain registration with the Office of the Immigration Services Commissioner (OISC) to provide immigration advice up to Level Two.

We have worked in various ways to tackle **migrant destitution and homelessness**, by finding sustainable solutions for individuals. We have provided **specialist advice and casework for homeless migrants** with complex immigration needs through the Street Legal project, a partnership with Refugee Action and St Mungos. We have provided **accommodation and support** for destitute migrants, mainly women and children, in an innovative social investment backed partnership with Commonweal Housing.

Group work – Praxis runs 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. We have developed a wide range of partnerships, so that other organisations and professionals can deliver complementary services to our clients from our premises including 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.

Praxis **advocates for its beneficiaries** in multi-agency forums. 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 people 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 give grants directly as a method of furthering its charitable objectives. The charity applies for and distributes welfare payments according to need and the criteria of the donors. We are particularly grateful to The Vicars Relief Fund (St Martin in the Fields), London Catalyst Samaritan Grant and the London Churches Refugee Fund. We also provide hardship payments to destitute residents in our housing projects. In 2017 Praxis distributed £65,520 in welfare payments.

PUBLIC BENEFIT

The charitable purposes, objectives and activities, which Praxis undertakes for the public benefit, and achievement in delivering these are set out in the relevant sections of this report. The Trustees ensure that the services delivered by Praxis are not unreasonably restricted and are relevant to the needs of our beneficiaries, thereby enabling them to settle effectively in the UK and contribute positively to society. The Trustees have complied with their duty to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

ACHIEVEMENTS AND PERFORMANCE

Advice

Praxis advice team delivered pan-London and local specialist advice services to vulnerable migrants and advice to other professionals. We provided advice to 1,327 people and conducted ongoing casework in 1,859 cases, of which 52% related to immigration. This is a 12% reduction in cases from last year, which mainly reflects the increasing complexity of cases we are seeing.

In 2016-17, our advice team resolved significant immigration issues for 121 people, including helping people to obtain long-term settlement or citizenship, to gain limited leave to remain, to have their 'no recourse to public funds' (NRPF) condition lifted, and to obtain travel documents or replacement papers. Many others are awaiting Home Office decisions. We also helped people to raise money to pay Home Office fees or where possible apply for fee waivers, itself a time consuming process.

We provided housing advice to 243 people, and secured positive outcomes for 90 people – from preventing homelessness to securing longer term accommodation. During the year we secured a total of £42,517 for service users through grants, benefit payments and debt write-off. We gave out £7,034 of hardship support to housing residents.

We have focused on developing our integrated and holistic approach, with clearer internal referral pathways between our advice, housing and group work. We have established an active service user forum that has helped us to develop an internal evaluation framework of outcomes and indicators, to help us assess positive outcomes for the people we work with beyond the obvious legal and practical outcomes. *"I thought that, as not a citizen I wouldn't get the help I needed but now I know so much more, I know I have rights as a human being"* Praxis service user.

Housing and homelessness

In total this year Praxis has provided 13,726 nights of safe accommodation to very vulnerable people, an increase of 19% on last year. Praxis has directly provided safe, secure and high quality accommodation to a total of 80 people including 41 children in our own housing projects. All of the residents were destitute and with no recourse to public funds. We received referrals from partner organisations and from the London Borough Councils of Enfield, Havering, Islington, Redbridge and Waltham Forest. All residents in Praxis housing have the opportunity to access our specialist immigration and welfare advice, and are encouraged to join Praxis groups. One resident commented *"It's the place that's given me light. It made me know the value of living"*.

Praxis secured a grant from the Big Lottery Fund, as the lead partner alongside St Mungo's and Refugee Action, for the Street Legal project. Since July 2016 the project has provided advice and/or in-depth casework to over 100 street homeless non-EU migrants, and has successfully resolved 15 cases. The low resolution rate largely reflects the slow Home Office decision making process. Street Legal has set up 30 bed spaces in the first 12 months, having secured funding from the GLA for this. As part of the community engagement strand of the project, we have run eight support groups for non-EEA migrants with lived-experience of destitution and rough sleeping. Street Legal's immigration advisors have run specialist quarterly training sessions for frontline homelessness staff.

Interpreting

Praxis Interpreting+ continued to provide a high quality interpreting service across Tower Hamlets. During the year, we provided 4,879 hours of interpreting in over 20 languages. We provided interpreting across 9 GP surgeries in Tower Hamlets, plus for other Praxis services and external organisations.

ACHIEVEMENTS AND PERFORMANCE (continued)

Group work

Praxis's programme of group work – to build resilience and voice - continues to grow, with an estimated 300 people attending 12 groups in 2016-17. This year has seen a particular emphasis on user-led group work, and on involving service users in the design and planning of Praxis' work. In December 2016 over 200 people attended our **Rhythm and Rights** event to celebrate Human Rights Day, during which many Praxis groups performed music, poetry and drama. Members of **Brighter Futures**, a user-led group of young undocumented migrants, have continued to provide expert-by-experience guidance to various other organisations, speaking at conferences and also advising on the development of Bar Standards Board guidance for migrants seeking immigration advice. Our **WINGS** group for young mothers has supported members to gain skills and knowledge and developed a new partnership with Spitalfields City Farm. We formed **GIANTS** our new men's group, as a direct result of the demand from service users, led by a service user who is now a Praxis volunteer. Our **health and wellbeing programme** this year included yoga classes, walking groups, mental health workshops, and information sessions on topics like healthy eating and access to healthcare. Praxis also facilitated a range of other activities delivered by volunteers and partner organisations including ESOL classes, creative therapy and a choir for women who have escaped trafficking. *"Praxis really shines out as a model of good practice to me"*, independent facilitator.

Influencing Praxis' achievements are not limited to our direct service provision. We raise awareness, share our knowledge and promote policy and systems change to address migrant exclusion, particularly homelessness and destitution. We are members of and active participants in a variety of organisations and networks in Tower Hamlets, pan-London, UK wide and pan-Europe. These cover a range of specialist areas including - immigration law (and specific areas within it), homelessness and destitution, migrant women and children's rights, poverty, asylum and refugee integration, and undocumented migrants. We are members of Advice UK and the Immigration Law Practitioners' Association (ILPA), PICUM (Platform for International Co-operation on Undocumented Migrants), FEANTSA (the European Federation of Organisations working with homeless people), the St Martin's Network, the No Accommodation Network (NACCOM) and the Strategic Alliance on Migrant Destitution.

We provided expert training on immigration matters to a range of organisations and groups – for example to 65 frontline homelessness staff and volunteers on working with undocumented migrants, as part of our membership of the St Martin's Frontline Network

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 Investors in People status.

Risk and corporate governance matters

Since the adoption of our 2015-18 Strategic plan, and in the wake of the closure of the social enterprise in 2015, the charity has had a strong focus on developing a sustainable business model and managing the risks of being a small charity in a difficult operating environment. We have made significant progress in building our infrastructure and developing our ability to increase unrestricted income. We have been able to do this with essential core funding from a number of Trusts including the Esmée Fairbairn Foundation, Tudor Trust and AB Charitable Trust as well as significant grants to support the delivery on our key strategic priorities.

We have developed our fundraising plans and set new targets to develop individual donations supported by our new communications function. Communicating with and engaging supporters are key to improving life for our beneficiaries and increasing our unrestricted income over the next three years.

We hold regular board meetings and 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. We have reviewed our reserves plan and with the support of the Paul Hamlyn Foundation and City Bridge Trust have developed a contingency plan, as part of our risk management. We have also been exploring ways to develop partnerships and collaborations with other organisations to share costs and strengthen service delivery. We have a strong senior management team with an experienced head of services and head of finance and resources working together with the CEO and board to strengthen governance and compliance.

Although we have reached a satisfactory settlement over our rent increase, we continue to face building related risks, particularly in relation to potential repair costs arising from working in an old building and we are actively seeking ways to reduce our exposure.

2016 brought substantial changes to the social and political context of our work with the EU referendum, Brexit and subsequently a new government. The direction of policy and the decision to leave the EU have created a whole new group of migrants with concerns around their status and how to resolve these. Even without Brexit 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. The implementation of the 2016 Immigration Act and welfare restrictions are contributing to an increase in migrant homelessness and destitution, which continue to be one of our key priorities. As we review and refresh our strategy for 2018 onwards we will take all of this into consideration.

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, but is no longer a trustee of Praxis, having retired in September 2016.

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 Charity for the year was £1,601,507 (2016: £1,580,779) and total expenditure amounted to £1,443,462 (2016: £1,349,548). Overall there was a surplus for the charity of £158,045 in 2017 which is a significant improvement compared to the £5,145 deficit for the charity in 2016 (2016 consolidated surplus was £231,231 and included the charity deficit and the write-off of outstanding loans on the closure of our now defunct trading subsidiary). The underlying performance, after including pension commitments as required by FRS 102 reporting requirements for both 2015 and 2016 was a brought forward balance of £47,370 as at 1st April 2016 (see Note 17 for further details). Consequently, our financial recovery plan has been successful and this year we have made an operating surplus, this has made a significant contribution towards rebuilding our depleted reserves

Our main sources of income are fundraising, and income for services (interpreting and provision of accommodation). Our earned income came from a variety of sources, including local authority funding for interpreting services and housing.

We are very grateful for all the support we receive, both financial and non-financial. We would like to thank the following supporters in particular as well as those who wish to remain anonymous: AB Charitable Trust, Allen & Overy, the Attlee Foundation, BBC Children in Need, Big Lottery Fund, British Red Cross, City Bridge Trust, Clifford Chance Foundation, Comic Relief, Commonweal Housing, Cruach Trust, East End CAB, Esmée Fairbairn Foundation, Family Welfare Association, Garden Court Chambers, Garfield Weston Foundation, Henry Smith Charity, the Leigh Trust, the Legal Education Foundation, London Borough of Tower Hamlets, London Catalyst (Samaritans), London Churches Refugee Fund, The Lovington Foundation, The Metropolitan Migration Foundation, Oak Foundation, The Orp Foundation, Paul Hamlyn Foundation, St. Martin's Network, St Mungos, Time Bank, Trust for London, The Tudor Trust and Vicar's Relief- St Martin's in the Field.

Including overhead costs, our charitable expenditure was Advice Services and Group activities £552k (2016: £617k), Housing and Street Legal £580k (2016: £314k) and Interpreting £311k (2016: £336k).

Looking forward to 2018, we have an effective income generation strategy and will seek to increase our business development capacity, which will both diversify and build new income streams to deliver a long-term sustainable business model. Whilst our income generation plans are good, our resources to implement these are limited, competition for funding remains high and cuts to advice services and legal aid have significantly increased demand for our services. Building our unrestricted income will be a priority over the next three years

However, we already work collaboratively with a substantial number of organisations; locally, pan London and nationally. The Board are actively exploring a range of opportunities to deepen and formalise these, with one or more partners, to deliver increased effectiveness and efficiency. Our aims would be to improve service delivery and manage down core costs to both deliver even more value for money to funders and free resources to respond to the demand for our services. The Board are mindful of the cost in time and funding that would be required, particularly given our very limited financial resources and staff capacity.

Reserves policy

The Policy is to maintain sufficient reserves to enable operating activities to continue over a reasonable period should a shortfall in income occur and to take account of potential risks and contingencies that may arise. The Trustees have, in that context, considered the risks in respect of expenditure, unrestricted and restricted income, external major risks and an historic liability in the Pensions Trust Growth Plans, which would be repayable on a 'crystallising event' (although this is now operationally a low risk). This resulted in a risk assessment and the determination of a reserves target covering the following elements

- Projects which Praxis is obliged to deliver, but where there is some risk of funding not covering the full cost of delivery.
- Financial capacity to enable Praxis to manage staff levels in accordance with its policies and legal obligations
- The working capital needed to operate.
- Some capacity to manage operational expenditure at a time of unforeseen uncertainty in income streams.
- A general margin for unexpected events.
- The pension scheme liability if a 'crystallising event' occurred.

Based on the 2016/17 financial data the unrestricted reserve target based on the above is £195,699, compared to actual unrestricted reserves, excluding fixed assets, of £127,750. The trustees will strive to increase reserves to meet the target.

PLANS FOR FUTURE PERIODS

2016 was a turbulent year and considerable hostility was generated towards migrants during and after the EU membership referendum. Brexit has created great uncertainty and we are witnessing an increase in EU citizens struggling with welfare and status issues. A new immigration act came into force in 2016 and another is proposed for autumn 2017. Internationally there has been no reduction in conflict and refugee movements and slavery and people trafficking have increased. Migrant homelessness and destitution is on the rise, whilst access to advice and provision has been limited by legal aid and welfare cuts. Against this backdrop we are reviewing, refreshing and refining our strategic plan for the next three years 2018-21.

We will focus on how we maximise impact for the people who need us, including developing more effective collaboration and strategic partnerships as we move forward with an expectation of mushrooming demand for services.

We will continue to provide direct advice services with a particular focus on the most vulnerable migrants, such as those with no recourse to public funds or with insecure status. Tackling migrant homelessness and destitution will continue to be priorities.

We will use our expertise to support and encourage others to contribute to finding solutions for the challenges faced by our beneficiaries. We will seek to strengthen our developmental capacity to enable us to make best use of opportunities and widen our reach.

We will continue to develop our group work and deepen our relationships with service-users ensuring that people's assets are recognised and that they are able to shape Praxis' services and develop their voice to influence the external environment.

We will continue to develop our infrastructure and fundraising capacity to strengthen the charity and make it more sustainable for the future. We will continue to seek ways to minimise the risk posed by our building lease terms and identify alternative options as part of our drive for sustainability.

TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2017

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 for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK 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.

TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2017

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 18 NOVEMBER 2017 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 2017 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure account), the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 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 set out on pages 11 to 12, 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. 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of the net movement in funds, including 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, based on the work undertaken in the course of the audit:

- The information given in the Trustee' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements
- In light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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



Murtaza Jessa

Senior Statutory Auditor

For and on behalf of haysmacintyre, statutory auditors

26 Red Lion Square, London WC1R 4AG

Date: 18/11/2017.

PRAXIS COMMUNITY PROJECTS
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 March 2017

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds (Restated) 2016 £
INCOME FROM:					
Donations & Legacies	1	138,168	62,500	200,668	192,691
Investments		34	-	34	165
Raising funds:					
Fundraising	2	3,919	-	3,919	4,378
Fundraising trading	8	-	-	-	52,700
Charitable activities:					
Advice & Group Activities	3	39,316	437,001	476,317	486,650
Housing & Homelessness	3	234,169	384,797	618,966	251,252
Interpreting	3	301,603	-	301,603	299,575
Other		-	-	-	293,368
TOTAL INCOME		717,209	884,298	1,601,507	1,580,779
EXPENDITURE ON:					
Fundraising trading	8	-	-	-	81,776
Charitable expenditure:					
Advice Services	4,7	11,306	541,667	552,973	617,318
Housing & Homelessness	5,7	209,739	370,021	579,760	314,014
Interpreting	6,7	310,729	-	310,729	336,440
TOTAL EXPENDITURE		531,774	911,688	1,443,462	1,349,548
NET INCOME/(EXPENDITURE)		185,435	(27,390)	158,045	231,231
Transfer between funds		(79,501)	79,501	-	-
NET MOVEMENT IN FUNDS		105,934	52,111	158,045	231,231
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 April 2016	15	31,988	15,382	47,370	(183,861)
FUND BALANCES CARRIED FORWARD 31 MARCH 2017		137,922	67,493	205,415	47,370

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 17 to 29 form part of these financial statements.

	Notes	2017 £	2016 (Restated) £
FIXED ASSETS			
Tangible assets	10	10,172	15,257
CURRENT ASSETS			
Debtors	11,13	192,065	127,088
Cash in hand and in bank		241,385	174,832
		433,450	301,920
CREDITORS			
amounts falling due within one year	12,17	(166,158)	(192,945)
NET CURRENT ASSETS			
		267,292	108,975
TOTAL ASSETS LESS CURRENT LIABILITIES			
		277,464	124,232
CREDITORS			
amounts falling due after one year	13,17	(72,049)	(76,862)
NET ASSETS			
		205,415	47,370
FUNDS			
Restricted Funds	15	67,493	15,382
Unrestricted Funds	15	137,922	31,988
TOTAL FUNDS			
		205,415	47,370

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

The financial statements were approved by the trustees and authorised for issue on 18 NOVEMBER 2017 and signed on their behalf by

B.M. Roche Barbara Roche, Chair

[Signature] Raphael Perret, Treasurer

The notes on pages 17 to 29 form part of these financial statements.

Financial statements for the year ended 31 March 2017

STATEMENT OF CASH FLOWS

	2017	2016
	£	£
Statement of cash flows		
Net Cash flow from operating activities (see below)	66,519	26,431
Cash flows from investing activities		
Dividends & interest	34	165
Cash flows from financing activities	-	-
Change in cash & cash equivalents in the reporting period	66,553	26,596
Cash & cash equivalents at the beginning of the reporting period	174,832	148,236
Cash & cash equivalents at the end of the reporting period	<u>241,385</u>	<u>174,832</u>
Reconciliation of net income (expenditure) to net cash flow from operating activities		
Net income as per SOFA	158,045	231,231
Adjustments		
Depreciation	5,085	9,706
Loss on disposal of fixed assets	-	34,539
Dividends & interest	(34)	(165)
(increase)/decrease in debtors	(64,977)	6,390
(Decrease) in creditors	(27,049)	(283,187)
Add back pensions non-cash expenditure	4,195	34,876
Less pensions deficit plan cash paid	(8,746)	(6,959)
Net Cash flow from operating activities	<u>66,519</u>	<u>26,431</u>
Analysis of cash & cash equivalents		
Cash in hand	233,712	167,193
Notice deposits (less than 3 months)	7,673	7,639
Total cash & cash equivalents	<u>241,385</u>	<u>174,832</u>

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 applicable to the UK and Republic of Ireland (FRS 102)(effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Praxis Community Projects meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s).

b. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 the restatement of comparative items was required. See Note 16 for details of the restatement regarding pensions

c. 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.

d. Fixed assets

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

e. 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.

f. 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.

g. 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

h. 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.

i. 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.

j. 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.

k. 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.

l. 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.

m. 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 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
1. DONATIONS & LEGACIES				
Donations from individuals, trusts and other similar institutions	138,168	62,500	200,668	192,691
2. FUNDRAISING INCOME				
Rent receivable under operating Leases	3,919	-	3,919	4,378
	3,919	-	3,919	4,378
3. CHARITABLE ACTIVITIES				
Grants and contract income	575,088	884,298	1,459,386	1,037,477
4. ADVICE & GROUP ACTIVITIES				
Direct Costs:				
Staff Costs (note 9)	8,807	327,492	336,299	388,206
Other costs	40	122,737	122,777	99,352
	8,847	450,229	459,076	487,558
Support costs (note 7)	2,459	91,438	93,897	129,760
	11,306	541,667	552,973	617,318
5. HOUSING & HOMELESSNESS				
Direct Costs:				
Staff Costs (note 9)	84,649	191,570	276,219	161,016
Other costs	101,456	124,963	226,419	99,177
	186,105	316,533	502,638	260,193
Support costs (note 7)	23,634	53,488	77,122	53,821
	209,739	370,021	579,760	314,014

Other costs includes the cost of 550 (2016 – 430) grants to individuals amounting to £65,520 (2016 - £23,046).

6. INTERPRETING

	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Total Funds 2016
Direct Costs:				
Staff Costs (note 9)	242,194		242,194	249,638
Other costs	913	-	913	3,358
	243,107	-	243,107	252,996
Support costs (note 7)	67,622	-	67,622	83,444
	310,729	-	310,729	336,440

7. SUPPORT COSTS

	Advice	Housing	Interpreting	Total 2017	Total 2016
	£	£	£	£	£
Staff Costs (note 9)	16,248	13,345	11,701	41,294	52,385
Premises Costs	23,055	18,936	16,604	58,595	74,205
Depreciation- Owned Assets	2,001	1,643	1,441	5,085	5,242
Other Costs	52,593	43,197	37,876	133,666	135,193
	93,897	77,122	67,622	238,641	267,025

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

8. NET INCOME FROM TRADING INCOME

	Total 2017 £	Total 2016 £
Turnover	-	52,700
Cost of Sales	-	(53,245)
Gross Profit	-	(545)
Administrative Expenses	-	(28,531)
Operating Loss	-	(29,076)

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

9 STAFF COSTS	2017	2016
The average monthly number of employees employed by the charity during the year (excluding trustees) was:-	No.	No.
Charitable activities	19	16
Support & governance	4	4
Fundraising trading	-	1
	<u>23</u>	<u>21</u>
	=====	=====
Staff costs for the above persons:	£	£
Wages and salaries	736,673	650,461
Social security costs	69,333	54,828
Pension costs	12,753	14,685
Temporary staff costs	77,247	165,441
	<u>896,006</u>	<u>885,415</u>
	=====	=====
Staff costs by service area	2017	2016
Staff costs by service area:	£	£
Advice & Group Activities	336,299	388,206
Housing & Homelessness	276,219	161,016
Interpreting	242,194	249,638
Support	41,294	52,385
Fundraising trading	-	34,170
	<u>896,006</u>	<u>885,415</u>
Of which attributable to key management personnel (excluding consultancy fees)	<u>137,629</u>	<u>74,033</u>
	=====	=====

One employee received emoluments greater than £60,000 in the current 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 £798 (2016: £700).

	2017	2016
	£	£
10. TANGIBLE FIXED ASSETS – FURNITURE, FIXTURES AND EQUIPMENT		
Cost:		
1 April 2016	66,111	51,797
Additions	-	14,314
	<u>66,111</u>	<u>66,111</u>
Balance at 31 March 2017	66,111	66,111
Depreciation:		
1 April 2016	50,854	45,612
Charge for the period	5,085	5,242
	<u>55,939</u>	<u>50,854</u>
Balance at 31 March 2017	55,939	50,854
Net Book Value at 31 March 2017	<u>10,172</u>	<u>15,257</u>

11. DEBTORS

Trade Debtors	115,018	53,316
Accrued Income	76,293	62,507
Prepayments	254	10,765
Loans to Staff	500	500
	<u>192,065</u>	<u>127,088</u>

12. CREDITORS

Amounts due within one year:

Trade Creditors	42,331	73,131
Other taxes & social security	34,577	30,206
Defined Benefit Pension plan deficit	9,008	8,746
Sundry Creditors	271	939
Accruals	26,965	10,822
Deferred Income	53,006	69,101
	<u>166,158</u>	<u>192,945</u>

13. DEFERRED INCOME

Deferred income movements are as follows:

Deferred income at the start of the year	69,101	-
Released in the year	(69,101)	-
Deferred in the year	53,006	69,101
	<u>53,006</u>	<u>69,101</u>
Deferred income at the end of the year	53,006	69,101

Deferred income consists of grants received in advance.

	Charity				
	2017	2016			
	£	£			
14. CREDITORS DUE AFTER ONE YEAR					
Defined Benefit Pension plan deficit	72,049	76,862			
	72,049	76,862			
15. FUNDS	As at 1 April 2016	Income	Expenditure	Transfers	As at 31 March 2017
	£	£	£	£	£
Restricted income funds					
London Borough of Tower Hamlets	-	51,409	(61,299)	9,890	-
Comic Relief	-	31,490	(36,659)	5,169	-
Migration Foundation	6,077	24,593	(25,258)	808	6,220
Oak Foundation	-	86,769	(82,285)	2,536	7,020
Legal Education Foundation	-	33,011	(34,215)	1,204	-
NHS Tower Hamlets PCT	-	10,909	(34,242)	23,333	-
Bridge House Trust	5,000	58,000	(63,000)	-	-
East End CAB	-	25,142	(30,741)	5,599	-
St Mungos	-	81,141	(90,908)	9,767	-
British Red Cross	-	20,963	(21,072)	109	-
The Big Lottery	-	263,475	(234,135)	3,960	33,300
Trust for London	-	50,000	(62,728)	12,728	-
Paul Hamlyn Foundation	-	21,617	(25,711)	4,094	-
Tudor Trust	-	62,500	(50,000)	-	12,500
Ministry of Justice	-	6,822	(6,822)	-	-
Vicars Relief Fund-St Martin in the Fields	2,238	14,000	(10,141)	-	6,097
Other Trusts	2,067	42,457	(42,472)	304	2,356
Total restricted funds	15,382	884,298	(911,688)	79,501	67,493
Unrestricted income funds					
General fund	31,988	717,209	(531,774)	(79,501)	137,922
Total Charity Funds	47,370	1,601,507	(1,443,462)	-	205,415

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 2017 or where any remaining funds are restricted to the purposes for which they were received. Transfers represent that part of unrestricted funds spent on the various projects.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Net current assets	Creditors after one year	Total
	£	£	£	£
Restricted funds:	-	67,493	-	67,493
Unrestricted funds:	10,172	199,799	(72,049)	137,922
NET ASSETS	10,172	267,292	(72,049)	205,415

17. TRANSITION to FRS102

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2005 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2016. The impact of the transition was to bring in a liability relating to the commitment under the deficit funding agreement for the Pensions Trust Growth Plan. The overall changes are summarised below:

	£
Funds at 31 March 2015	(126,170)
Adjustment:	
To recognise the pension deficit funding commitment	(57,691)
Funds at 1 April 2015 as amended for FRS102	<u>(183,861)</u>
Net movement in funds for the year ended 31 March 2016	259,148
Adjustment:	
For pension deficit funding commitment	(27,917)
Net movement in funds as amended for FRS102	<u>231,231</u>

18. PENSION COMMITMENTS

GP4 Pension Scheme (operated by the Pensions Trust)

Thirty one staff were eligible to contribute to The Pensions Trust's Growth Plan. The scheme is a multi-employer money purchase scheme. The Charity contributed at a rate of 1% of gross pensionable salary. The charity would have a liability if it ceased to participate in the scheme which at 30 September 2016 was calculated as £160,288. As the Charity currently has no plans to leave the scheme, this contingent liability has not been provided for in these accounts.

It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme

18. PENSION COMMITMENTS (continued)

deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme

A full actuarial valuation for the scheme was carried out at September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From April 2015 to March 2026 £8,746 per annum
 (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

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

	2017	2016
	£	£
Reconciliation of opening and closing provisions:		
Provision at start of period	85,608	57,691
Unwinding of discount factor (interest expense)	1,674	944
Deficit contribution paid	(8,746)	(6,959)
Remeasurements – impact of any change in assumptions	2,521	33,932
	<u>£81,057</u>	<u>£85,608</u>
Split as follows:		
Due within one year	9,008	8,746
Due after one year	72,049	76,862
	<u>£81,057</u>	<u>£85,608</u>

ASSUMPTIONS

	31 March 2017	31 March 2016	31 March 2015
Rate of discount - % per annum	1.32	2.07	1.74

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

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

19 STATEMENT OF FINANCIAL ACTIVITY 2016 (RESTATED)

	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
INCOME FROM			
Donations and Legacies	187,691	5,000	192,691
Investments	165		165
Raising Funds:			
Fundraising	4,378		4,378
Fundraising Trading	52,700		52,700
Charitable activities:			
Advice & Group Activities	49,321	437,329	486,650
Housing & Homelessness	127,215	124,037	251,252
Interpreting	299,575	-	299,575
Other	293,368	-	293,368
TOTAL INCOME	1,014,413	566,366	1,580,779
EXPENDITURE ON:			
Fundraising Trading	81,776	-	81,776
Charitable Expenditure:			
Core Activities	48,297	569,021	617,318
Housing & Homelessness	130,858	183,156	314,014
Interpreting	336,440	-	336,440
TOTAL EXPENDITURE	597,371	752,177	1,349,548
NET INCOME (EXPENDITURE)	417,042	(185,811)	231,231
Transfer between funds	(143,766)	143,766	-
NET MOVEMENT IN FUNDS	273,276	(42,045)	231,231
RECONCILIATION OF FUNDS			
Fund balances brought forward at 1 April 2015	(218,861)	35,000	(183,861)
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2016	54,415	(7,045)	47,370

20 FINANCIAL INSTRUMENTS

	Total	Total
	2017	2016
	£	£
Financial assets measured by amortised cost	115,518	53,816
Financial liabilities measured by amortised cost	42,602	74,070

Financial assets include trade debtors and staff loans.

Financial liabilities include trade and sundry creditors.