

Ongo Communities Limited

Report and Financial Statements

Year Ended

31 March 2016

Company Number 08619739 (England and Wales)

Charity Number 1156007

Ongo Communities Limited

Report and financial statements
for the year ended 31 March 2016

Contents

Page:

3	Executives & Advisors
4	Directors' Report
8	Independent auditor's report
10	Statement of comprehensive income
11	Balance sheet
12	Statement of changes in equity
13	Index of notes
14	Notes forming part of the financial statements

Ongo Communities Limited

Report and financial statements for the year ended 31 March 2016

Board Members

The following members have held office during the year and to the date of this report unless otherwise stated:

G Shaw
J Trowsdale
M Chatterton (resigned 15th March 2016)
P Elliott
J Main
N Tharratt (appointed 24th September 2015)
C Sherwood (resigned 21st May 2015)
J Briggs (appointed 24th September 2015, resigned 10th May 2016)

Directors:	Chief Executive	A Orrey
	Director of Operations	S Hepworth
	Director of Resources	E Stoddart
	Director of Regeneration and Investment	P Stones

Secretary and registered office: E Stoddart

Meridian House, Normanby Road, Scunthorpe, North Lincolnshire DN15 8QZ

Company Number	08619739
Charity Registration number	1156007

Auditors	BDO LLP 1 Bridgewater Place Water Lane Leeds LS11 5RU
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Bankers:	Barclays Bank plc One Snowhill Snowhill Queensway Birmingham B4 6GB
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Solicitors:	
Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX	Forbes Solicitors Rutherford House 4 Wellington Street (St John) Blackburn, Lancashire BB1 8DD

Wilkin Chapman LLP New Oxford House Town Hall Square Grimsby DN31 1HE	Trowers and Hamblins Heron House Albert Square Manchester M2 5HD
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Ongo Communities Limited

Directors' Report for the year ended 31 March 2016

Nature of Business

The Ongo group went through a rebranding exercise in 2013 and Ongo Communities Limited, a company limited by guarantee was incorporated on 23 July 2013. The company received charitable status on 4 March 2014 and the assets, trade and cash of NL Communities were subsequently transferred to Ongo Communities following a decision made by the board of NL Communities on 27 March 2014.

The corporate structure of the Ongo Partnership group is clearly defined and the relationship between this Company, the parent and its other subsidiaries is set out in Intra-Group agreements which were considered and approved by each of their Boards.

The role of the Company, which is funded by Ongo Homes Limited (OH), is to deliver that company's wider social objectives by co-ordinating community development activity and developing social enterprises, which includes the 'Choose to Reuse' furniture cycling operation and 'Handyvan' service. On 1 April 2014 Ongo Communities acquired Crosby Employment Bureau Limited (CE), which operates as a subsidiary providing training and employment opportunities for local people within disadvantaged communities in order that they may develop their skills and re-engage with the labour market.

Board and Executive Directors

The Board Members and Executive Management Team serving during the period and up to the date of signing the Financial Statements are listed in page 3. None of the Board Members and Executive Management Team holds any interests in the capital of this company, or of Ongo Partnership Limited.

Members of the Executive Management Team act as executives within the authority delegated through the Intra-group Agreement between Ongo Partnership Limited, Ongo Commercial Limited and Ongo Homes Limited. The Company's insurance policies indemnify Board Members and officers against liability when acting on its behalf.

Financial Statements

The Directors present their report and audited Financial Statements of the Company for the year ended 31 March 2016.

Results

The Company made an operating profit of £74k for the year (*£43k in 2014/15*). The Directors consider this to be an acceptable standard of performance.

Reserves

The Revenue reserves at the year-end are £254k. The business plan dictates that this will be retained for investment in the future development of the company.

Going Concern

The Financial Statements are prepared on a going concern basis, as the Board is satisfied that the Company has sufficient resources to continue its activities for the foreseeable future. In making this assessment the Board has considered a wide range of information relating to present and future conditions, including future business plan projections allied to expected income and currently available banking facilities.

Ongo Communities Limited

Directors' Report for the year ended 31 March 2016 (continued)

Statement of the Directors' Responsibilities in Respect of the Accounts

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the Directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Assessment of the effectiveness of Ongo Communities' system of internal control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of Company assets and interests.

The Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Company is exposed and is consistent with good practice and regulatory requirements.

The main area in which this is evidenced is as follows:

Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Company's activities. Reports on significant risks facing the Company, and any changes to the Risk Map are reported to the Group Audit & Risk Committee which monitors the risk management arrangements. The Executive Team is responsible for regularly reviewing the risks of the Company and for monitoring mitigation plans against those risks.

A scoring system has been developed that attempts to quantify the original risk before any mitigation and then again after the identified mitigation plans have been completed. Completion of mitigation plans is routinely reviewed by the Group Audit & Risk Committee.

Ongo Communities Limited

Directors' Report for the year ended 31 March 2016 (continued)

Statement of the Directors' Responsibilities in Respect of the Accounts (continued)

Identification and evaluation of key risks (continued)

The Board reviews key strategic risks at least annually to ensure activity remains focussed on the correct areas and adequately take account of changes to the organisation's circumstances. The output from this work forms a part of the basis for focussing the internal audit programme.

Risk management is embedded into service areas through training and by inclusion in team and individual plans.

Internal Audit

Independent resources are used to undertake detailed audits on specific internal controls. An annual plan is agreed and each report is summarised for review by the Group Audit & Risk Committee. At each meeting of this group the outstanding audit issues are reviewed to ensure actions are progressing satisfactorily, particularly if higher priority risks are identified by the audits.

The Committee has included focus on fraud prevention, detection and deterrence to those internal audits where risk is perceived to be greatest.

A fraud register is maintained and reviewed at each Committee meeting.

The internal auditors have an opportunity at every Committee meeting to discuss matters without the presence of executives.

External Audit

In so far as the Board is aware, all of the current board members have taken all the steps that they ought to have taken to make them-selves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The External Auditors have an annual meeting with the Committee without the presence of executives.

Fraud

An annual review of the policy is undertaken by the Group Audit & Risk Committee covering prevention, detection recovery and reporting.

The Fraud Register is updated as necessary for all actual and potential frauds committed or attempted to be committed against the Company and comes to every meeting of the Group Audit & Risk Committee.

Reporting, review and corrective action

A process of regular management reporting on control issues provides assurance to the Executive Management Team and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and the delivery and fulfilment of our services.

The Group Audit & Risk Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. This Committee makes an annual report on this matter to the Board. The Board has received this report and has included it within the Financial Statements.

The Board confirms that there is an ongoing process for identifying, and managing significant risks faced by the Company. This process has been in place throughout the year under review, up to and including the date of the annual report and accounts, and is regularly reviewed by the Board.

Ongo Communities Limited

Directors' Report
for the year ended 31 March 2016 (continued)

Statement of the Directors' Responsibilities in Respect of the Accounts (continued)

Employment and Equal Opportunities

Employee information is set out in Note 4 of the Financial Statements.

The Company is committed to the principles of equal opportunities.

Auditors

BDO LLP has expressed their willingness to continue. A resolution for the re-appointment of BDO LLP as auditors of the Association is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

G Shaw
Director

Date:

Ongo Communities Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONGO COMMUNITIES LIMITED

We have audited the financial statements of Ongo Communities Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Ongo Communities Limited

Independent auditor's report (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:

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

Linda Cooper Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom
Date:

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

Ongo Communities Limited

Statement of comprehensive income for the year ended 31 March 2016

	Note	Continuing operations 2016 £'000	Continuing operations 2015 £'000
Turnover	2	915	669
Cost of sales		(167)	(319)
Gross profit		748	350
Administration expenses		(674)	(307)
Operating profit	3	74	43
Profit on ordinary activities before taxation		74	43
Taxation on profit on ordinary activities		-	-
Profit for the financial year		74	43
Other comprehensive income		-	-
Total comprehensive income for the year		74	43

The notes on pages 14 to 17 form part of these financial statements.

Ongo Communities Limited

Balance sheet at 31 March 2016

Company Number 08619739	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Current assets					
Debtors	7	122		66	
Cash at bank and in hand		258		155	
		380		221	
Creditors: amounts falling due within one year	8	(126)		(41)	
Net current assets			254		180
Total assets less current liabilities			254		180
Capital and reserves					
Called up share capital	9				
Profit and loss account			254		180
Total Shareholders' funds			254		180

The financial statements were approved by the Board of Directors and authorised for issue on 31st August 2016

G Shaw
Director

Andrew Orrey
Chief Executive

The notes on pages 14 to 17 form part of these financial statements.

Ongo Communities Limited

Statement of changes in equity For the year ended 31 March 2016

	Profit and loss account £'000	Total equity £'000
1 April 2015	180	180
Comprehensive income for the year		
Profit for the year	74	74
	<hr/>	<hr/>
	74	74
	<hr/>	<hr/>
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	74	74
	<hr/>	<hr/>
31 March 2016	254	254
	<hr/> <hr/>	<hr/> <hr/>

Statement of changes in equity (continued) For the year ended 31 March 2015

	Profit and loss account £'000	Total equity £'000
1 April 2014	137	137
Comprehensive income for the year		
Profit for the year	43	43
	<hr/>	<hr/>
	43	43
	<hr/>	<hr/>
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	43	43
	<hr/>	<hr/>
31 March 2015	180	180
	<hr/> <hr/>	<hr/> <hr/>

The notes on page 14 to 17 form part of these financial statements.

Ongo Communities Limited

Notes forming part of the financial statements for the year ended 31 March 2016

INDEX OF NOTES

General notes

- 1 Accounting policies

P&L related notes

- 2 Analysis of turnover
- 3 Operating profit
- 4 Employees
- 5 Directors' remuneration

Balance sheet related notes

- 6 Fixed asset investments
- 7 Debtors
- 8 Creditors: amounts falling due within one year
- 9 Share capital
- 10 Commitments under operating leases
- 11 Related party disclosures

Ongo Communities Limited

Notes forming part of the financial statements for the year ended 31 March 2016

1 Significant Accounting policies

Ongo Communities Limited is a charitable company limited by guarantee and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

These financial statements are the first financial statements prepared under FRS 102 but there has not been any impact of first-time adoption of FRS 102 requiring prior period adjustments.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the Group's accounting policies.

The following principal accounting policies have been applied:

Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ongo Partnership Limited as at 31 March 2016 and these financial statements may be obtained from Meridian House, Normanby Road, Scunthorpe, North Lincolnshire, DN15 8QZ

Turnover

Revenue from the sales of goods and services is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the goods and services are delivered to the buyer.

Leases

All leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

2 Analysis of Turnover

All turnover took place in the UK

Ongo Communities Limited

Notes forming part of the financial statements
for the year ended 31 March 2016 (*continued*)

3 Operating profit

	2016 £'000	2015 £'000
This is arrived at after charging/(crediting):		
Operating lease expense	13	14

All Fees for the audit of the company's annual accounts are paid by the ultimate parent company of The Group.

4 Employees

No employees are paid directly by the company, although it is re-charged by the group entity for employment costs incurred on its behalf.

5 Directors' remuneration

Directors' costs are paid by Ongo Partnership Ltd and the relevant portion is recharged to Ongo Communities (with a mark-up) through their management fee.

6 Fixed asset investments

Subsidiary undertakings

The only undertaking in which the company's interest at the year end is 20% or more is as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Crosby Employment Limited	England and Wales	100%	Training and Employment
Crosby Employment Limited also has a wholly owned subsidiary which gives Ongo Communities an interest in:			
Crosby Brokerage Limited	England and Wales	100%	Business services

Ongo Communities Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

7 Debtors

	2016 £'000	2015 £'000
Trade debtors	21	(1)
Amounts owed by group undertakings	92	59
Other debtors	2	2
Prepayments and accrued income	7	6
	<u>122</u>	<u>66</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the profit or loss for the period in respect of bad and doubtful trade debtors was £0 (2015 - £0).

8 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	85	18
Trade creditors	1	5
Accruals and deferred income	40	17
	<u>126</u>	<u>40</u>

9 Share capital

Being limited by guarantee, the company does not issues shares

Ongo Communities Limited

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

10 Commitments under operating leases

Lessee The association had minimum lease payments under non-cancellable operating leases as set out below:

	Vehicles	2016	2015
	£'000	Total	Total
	£'000	£'000	£'000
In 1 year	12	12	13
In 2 years	-	-	12
In years 3 to 5	-	-	-
After five years	-	-	-
	12	12	25

11 Related party disclosures

The ultimate controlling party is Ongo Partnership Limited and its consolidated accounts are available to the public from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Other than transactions between the group and other group subsidiaries themselves, the company does not believe it has any 'Related Parties' and therefore no Sales were made during the year to related parties.