

CHARITY NO: SC035861

COMPANY NO: SC269349

KIBBLEWORKS

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

KIBBLEWORKS
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

REFERENCE AND ADMINISTRATIVE INFORMATION

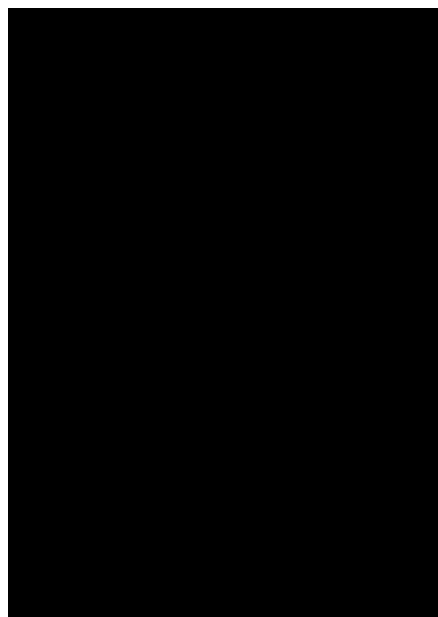
Charity Name KibbleWorks

Principal Office Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

Charity Number: SC035861

Company Number: SC269349

Trustees



Secretary:



Senior Management Team:

 (Chief Executive)

Auditors:

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

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REFERENCE AND ADMINISTRATIVE INFORMATION

Bankers

Royal Bank of Scotland plc
Paisley Chief Office
1 Moncrieff Street
Paisley
Renfrewshire
PA3 2AW

Solicitors

Walker Laird
9 Gilmour Street
Paisley
PA1 1DG

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Report of the Trustees for the year ended 31 March 2016

Chief Executive's Annual Report 2016

"The fruits of your labours may be reaped two generations from now. Trust, even when you don't see the results."

I am pleased to present these comments as part of our annual report. High standards and full transparency are expected of charities, more so than of commercial companies or even public bodies, as we hold community assets 'in trust'. We are strongly committed to not just meeting, but exceeding, expectations and requirements.

Being Chief Executive of a charity which has been in existence for over a century and a half is both a privilege and a responsibility, particularly when our core cause is to help some of our country's most troubled children. In writing these comments, I am mindful that in one form or another, it has probably all been said before. Some points, however, bear repeating and highlight the timeless nature of our work.

In the 1800s it was common to talk of rescue and reclamation - not phrases in general use today. Our purpose remains unchanged. We exist to try to help when other interventions have been unsuccessful, so there is a strong element of rescue and reclamation. These are noble causes, but we want to ensure that the restoration inherent in reclamation allows young people to reach their potential. This is the focus of much of our wider activity, but these are processes. What is more essential is building relationships and experiences of safety, well-being and happiness. Most young people at Kibble have experienced significant trauma. While the trauma may have been in the past, deep and enduring pain, anguish, confusion and loneliness continue. These are often manifested in anger or destructive behaviour – to self or others. Creating services that are efficient and effective is essential; but these must be imbued with the very essence of warm and caring human relationships. It is through these that hurt is healed and growth nurtured.

Our work is carried out by a large group of staff, complemented and augmented by dedicated volunteers. All bring their time and talents, but also themselves, to build the relationships that are the very glue of Kibble. I want to thank them all for their efforts in the past year. Kibble is noticed and appreciated and continues to attract interest nationally and internationally; in recent years visitors from over 60 countries have visited to see 'what we do and how we do it'. We also like to explain why we do it in the way that we do! The nature, range and diversity of our services attract attention, but the relationships underpinning all we do receive much more acknowledgement and comment.

Of course we face challenges to change and adapt, improve outcomes and be economically viable and sustainable. We have strong foundations not only in our people, but also in the resources available to us. We are fortunate to be embedded in the various communities in which we operate, and we want to continue to be good neighbours and strong contributors to wider society. We continue to build for the future and ensure continuity of service through recruitment, development and succession planning and implementation. In times of change and uncertainty the need for community anchors increases. We are proud of our heritage, but also confident that moving forward Kibble will continue, not just in the field of social innovation, but as a charity that applies these innovations in pioneering and productive ways.

"Service to a just cause rewards the worker with more real happiness and satisfaction than any other venture of life."

Chief Executive
October 2016

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Report of the Trustees for the year ended 31 March 2016

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2016.

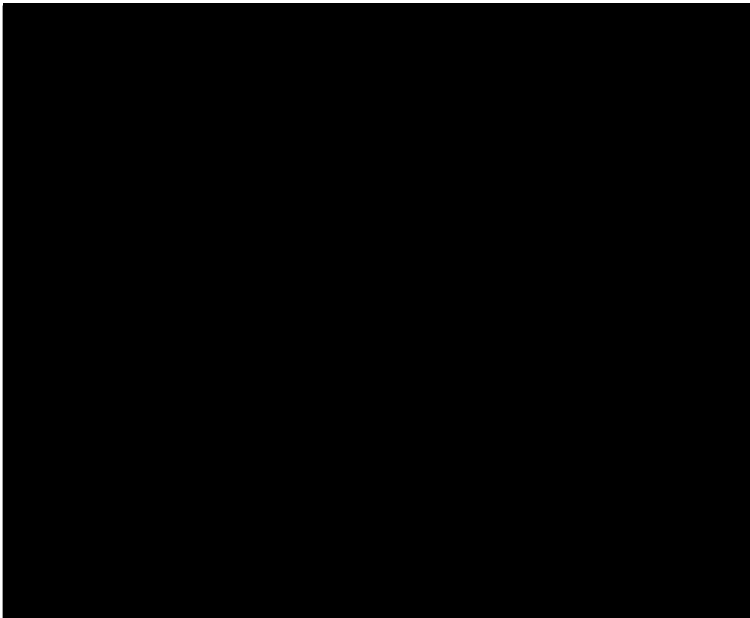
The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The legal and administrative information on pages one and two and the chief executive's report on page three forms part of this report.

Directors and Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The Trustees who served during the year (unless otherwise stated) and since the year end were as follows:



Structure, Governance and Management

Governing Document

KibbleWorks is a company Limited by guarantee, governed by a memorandum and articles of association, and having its registered office at Abercorn House, 79 Renfrew Road, Paisley, PA3 4DA. The company is registered in Scotland, its registered number being SC269349. It is also recognised as a Scottish Charity, its registered number being SC035861.

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Report of the Trustees for the year ended 31 March 2016

Recruitment and Appointment of Trustees

There are currently twelve non-executive directors on the board, the non-executive directors being trustees with an appropriate mix of skills elected by the trustees of Miss Elizabeth Kibble's Trust, as members of the company, from their own number. The executive directors are the senior professional managers of the company in the persons of the chief executive officer and the heads of social work, community services, education and youth training and finance and support services. This balance of the board in favour of the trustee/non-executive directors confirms the responsibility of the trustees for pursuing the company's charitable objects, as well as being a protection for the executive directors against any allegations of self-interest in their management of the charitable company by visibly barring their ability to make unconstrained strategic or financial decisions.

All directors must retire and seek re-election at the first annual general meeting following appointment. The company's articles of association require a third of the non-executive directors to retire by rotation at each annual general meeting and to submit themselves for re-election. After their re-election at the first annual general meeting following their appointment, the directors holding executive office are not subject to retirement by rotation while they continue to hold their executive offices.

Where there is a requirement for new Trustees of Miss Elizabeth Kibble's Trust, they are identified and appointed by the remaining Trustees. The Chairman of Trustees is responsible for the induction of any new Trustee which involves awareness of Trustee's responsibilities, the governing document, administrative procedures and the history and philosophical approach of the charity. New Trustees are appointed as directors of subsidiary companies including KibbleWorks.

The company's articles of association provide that the directors shall not be entitled to any remuneration in respect of their services as directors. In terms of and as authorised by the company's memorandum and articles of association the executive directors are remunerated for their professional services in managing the company's affairs. The terms of service of the executive directors in their executive offices are in line with those of other staff, and it is required that they relinquish their directorships on retirement from office or on leaving service.

The Board of Directors decides organisational strategy, and has a formal schedule of matters reserved for its decision. Authority is delegated to the chief executive and the other executive directors for implementing strategy and for managing the company. In discharging this responsibility, the senior executives work with general management teams, consisting of senior staff devoted to the provision of direct services to the young people in the company's care, and on the social business and charity management side, senior staff devoted to the administration of the company, its finances and the management of its properties and facilities. The executive directors report to the Board on a regular basis on their respective areas of responsibility.

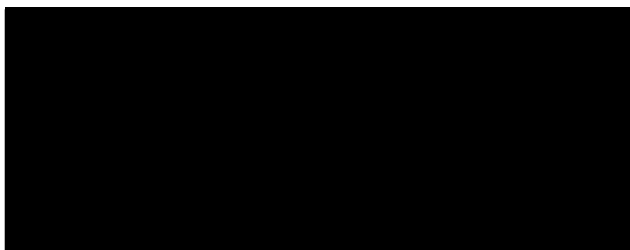
The organisational senior management team comprises the Chief Executive and six executive directors. Each of these six executive directors is responsible for overseeing the day to day management of their respective services. These seven executive directors attend weekly senior management team meetings.

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Report of the Trustees for the year ended 31 March 2016

The remuneration of the Trust's key management personnel is set by its Remuneration Committee. Its membership is made up of the non-executive directors on the board. The CEO's salary is set at the top point of the local authority head teachers scale, plus allowances, and other senior staff are graded accordingly, ie as depute heads of a large secondary school. The key management personnel are as follows:



Risk Management

A group-wide Risk Management Register is maintained and this is reviewed annually by the Board. However, risk analysis and identification is carried out on a regular ongoing basis. The executive directors are charged with the responsibility of ensuring that policies and procedures are in place to minimise exposure to risk and that scenario and contingency planning is in place to deal with the major risks involved. The company's increasing profile also means that risk to reputation is one of the most significant issues facing the company. The Board regularly reviews this issue and has been proactive in ensuring that the company's reputation for transparency and integrity is maintained. It is, however, acknowledged that a sound system of internal control provides only reasonable, but not absolute assurance that the company will not be thwarted in achieving its objectives, or in the orderly conduct of business, by circumstances that may not be reasonably foreseen.

Key risk areas highlighted in the Risk Management Register for the Kibbleworks are as follow:

- Reputational risk - we aim to mitigate reputational risk in a number of ways. These include allocating additional resources to developing and strengthening both internal and external communication systems; ensuring that clear policies are put in place and are checked for compliance by our dedicated Internal Audit function; strengthening our Quality Assurance team; and investing heavily in training our staff;
- Business continuity - we initiated an extensive review of our business continuity plan during this financial year, and work has continued into 2016/17. We have tested its robustness as each stage is completed; and
- Continued demand for the work that we do - this is influenced, amongst other things, by public policy, including legislation and regulatory bodies; societal trends; and cost pressures at both the Scottish and local government levels. We aim to mitigate this risk by carrying out extensive research on how best to meet the needs of our young people; by continuing to develop and hone the activities that we offer to the public at The Experience; by scrutinising all costs to ensure that our charges are as low as possible; by steadily strengthening our expertise and leadership across the organisation; and by ensuring that staff are trained, qualified and skilled to properly fulfil the responsibilities of their positions.

All of these efforts are overseen and supported not just by an effective Board but also by a wide range of sub-committees covering every aspect of Kibble's work.

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Report of the Trustees for the year ended 31 March 2016

Organisational Structure

The company is committed to integrity and professionalism in all its activities. As an essential part of this commitment the company's Board of Directors pursues the highest standards in corporate governance. The directors are in receipt of comprehensive guidance on their role as directors, both individually and as members of the Board, including the powers, duties and responsibilities involved therein generally and under company and charity law in particular.

The company's articles of association provide that the Board of Directors must have a majority of directors who are non-executive. The articles also provide that, to constitute a quorum at meetings, there must always be a majority of non-executive directors.

Related Parties

The company has three wholly owned subsidiary companies, namely Kibble Campus Developments Limited, Kibble Construction Limited and Kibble Trading Limited.

Objectives and Activities

The company's principal object, as set out in its memorandum of association, is to carry on in Paisley or elsewhere vocational education, employment and training activities for young people in need thereof and the reclamation of youthful offenders against the law. Its principal place of operation is at Goudie Street, Paisley, PA3 2LG. Its mission is to provide a stable, purposeful, safe and happy environment for young people in trouble. It aims to be a place where pupils and staff work together in a spirit of trust, mutual respect and co-operation, and by investing in people and setting high standards of work and behaviour, individuals and teams develop their full potential in learning, changing and growing.

To that end the company provides pre-vocational training, enterprise and employment opportunities for young people who are preparing to leave care, and to those who have already left and who are otherwise not in education, employment, or training.

The company's aim is to ensure that the young people in its care are given the support that they need to lead sustained, healthy, and fulfilled lives. It helps young people, aged 5 to 25, via a range of integrated services. Many of these young people have complex social, emotional, behavioural and educational issues.

To make sure its services produce the best outcomes, young people take part in Kibble's Outcome Framework. This maps the individual outcomes for children and young people to the wellbeing indicators from the Getting It Right For Every Child (GIRFEC) framework and Curriculum for Excellence.

During 2016 the Children and Young People (Scotland) Act 2014 will place aspects of GIRFEC on a statutory footing. Kibble already has robust procedures in place to ensure the framework is applied appropriately and consistently throughout the organisation. Over the past year we have also enlisted the help of staff, young people, and independent advocates to review the current policies and procedures to ensure we are fully prepared for commencement of duties as detailed in the Act. Within the framework, each young person has their own individual 'outcomes journey'. It is our belief that for a young person's outcomes journey to be meaningful, all significant others should be encouraged to participate in the process. The company measures its success via outcomes for young people, its continued provision of relevant services, and its ability to adapt to the changing needs of the care and educational environment in which it operates.

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Report of the Trustees for the year ended 31 March 2016

The company's long term aim is to continue to remain focussed on providing the best outcomes possible for young people at risk. This year, and every year, our work with young people increases our knowledge of the issues that young people at risk have to deal with, increases the experience of our staff, and also enhances our ability to help these young people to have better lives.

Achievements and Performance

The success of the varied charitable activities carried out by KibbleWorks, as detailed in the Objectives and Activities section above, can be measured partly by the scores that we achieve when we are assessed by our various Regulators. These scores are available online, and show that, across all disciplines, we are very much at the upper end of the spectrum. The other measure of success is the level of outcomes that Young People in our services achieve. There is currently no universal tool for measuring these outcomes; however we have developed a system in house for attaining this goal. It has been well received by both staff and external organisations, however it is constantly being worked on to fine tune both its accuracy and usefulness.

There are many factors external to Kibble that help to determine whether or not we achieve our objectives, however we believe that the work that we do with our young people is the most important factor of all. We discuss external factors regularly, but it does not detract us from doing everything possible to help our young people.

The Kibble Group offers a very wide array of services, including 19 different residential units, education/employability support and outreach, intensive fostering, adult placement, education, and young workforce development. The residential units vary in size and function, across our secure, campus and community locations.

All of our services work to the highest care and education standards while providing safety, structure, stability and support to young people at risk. We can accommodate children from the age of five in our primary age services, through to our range of services for young people of secondary school age and up to 18. These secure and residential units form part of our uniquely integrated array of services that aims to be both preventative and rehabilitative, and can be accessed at the point of greatest need.

Specifically on the Kibbleworks, ie Employability, in line with Scotland's Youth Employment Strategy we encourage young people to re-engage with learning, whether it's through tailored education or supported employment. During 2015 Kibble's provision for youth training and employment was consolidated into the Young Workforce Development Programme, encompassing KibbleWorks, Community Jobs Scotland (CJS) and the Youth Employment Support Programme (The YES Programme). Whilst KibbleWorks continues to provide a closely supported environment with young people working on a one-to-one basis within the raft of social enterprises, the YES Programme offers a pathway for those ready to move on from this close support environment.

In October, we launched the next phase of CJS recruitment. Young people were primarily offered jobs within Oskars (a reuse and recycling social enterprise). They joined the warehouse squad, worked in the showroom, or in an office environment. Each CJS position lasts between six to nine months, and helps those most at risk of becoming NEET, (not in education, employment, or training).

Our Young Workforce Development Programme now offers young people the chance to move through structured progression routes, increasing their levels of independence at work to the point where they would be considered 'work ready' and able to take on a 'real' job with

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Report of the Trustees for the year ended 31 March 2016

all its attendant responsibilities. We believe these programmes offer a comprehensive range of options to young people who are embarking on their career journey, a difficult time in any young person's life, but even more so when coming from a background of care, offending, or other points of disadvantage.

The YES Programme was launched in April 2015 and started recruiting young people in June of that year. Funded by the Big Lottery, the three year programme is intended for school leavers with little or no qualifications, those with a lack of work experience, or young adults who are struggling to find/retain employment. It aims to deliver employment focused intervention at stage three of the employability pipeline, with young people embarking on a placement which lasts up to 26 weeks. The YES programme takes young people from the local area, and works with a range of public, private and third sector partners.

The programme is based at The Experience, Kibble's Young Workforce Development Centre. It offers youth training and employment opportunities in leisure and hospitality. Young people learn a diverse range of skills across hospitality, customer service, community-based outdoor services, vehicle systems maintenance, painting and decorating, and creative techniques. During their time on the programme, young people can work towards qualifications and are assisted by a dedicated Youth Employment Support Worker. They are then encouraged to move to a positive destination with the support of our Employer Liaison Officer.

Looking at the wider benefits to society as a whole, our use of a social enterprise model provides services for public benefit. In addition, as a national specialist service working with young people who have chronic, complex and often acute behavioural issues, Kibble aims to bring compassion and care alongside a comprehensive understanding of the supporting research and evidence of what we do and how we do it. As new research and understanding emerge, especially in our understanding of childhood trauma, we have adapted the way that our services are operated and delivered. Inevitably this brings its own pressures, tensions and challenges but with the ongoing commitment of staff, this has resulted in services which remain at the front end of national and international practice. We believe that this approach helps to benefit society now and will continue to do so in the future.

Financial Review

The group made a surplus for the year ended 31 March 2016 of £345,506 (2015: surplus of £142,789) and had net assets of £760,705 (2015: £415,199).

We continued to invest heavily in staff training and development this year, as we have done in years gone by. This is very necessary expenditure and benefits the staff, the young people, and the community as a whole.

During the year all of our services absorbed the extra staff costs arising from a 1.5% pay rise; any point scale increases; and increments arising from promotions during the year. The 1.5% pay increase was awarded following the agreement between Unison and Local Government for non-teaching staff, and via the SNCT for teachers.

The social enterprises based at our Clark Street facility ie FrameWorks, Knibbles, MowerWorks, GroundBreakers, RoadWorks, PromoWorks, ServiceWorks, and Oskars, have had mixed results during this financial year. Oskars in particular has had a difficult time, although it does provide the most placements for young people.

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Report of the Trustees for the year ended 31 March 2016

The Experience – Kibble has continued to support the operations at this work integrating social enterprise for youth employment in the leisure and hospitality sector. We have designated more funds this year to maintain trading at this unique facility in Hillington. Business is still challenging, however sales are increasing across the board as word of its reputation spreads. This is an ambitious project, however ambition is something that Kibble has not lacked in the last 20 years.

Principal Funding Sources

The principal funding sources is trading income and grant income. The majority of the company's income is in the form of grants, most of which are employment related. The balance is income from charitable trading.

Investment Policy

The company holds no investments except shares in its wholly owned subsidiary companies, Kibble Campus Developments Limited, Kibble Trading Limited and Kibble Construction Limited.

Reserves Policy

The company's accounts for the year ended 31st March 2016 are annexed to this report and are considered by the directors to reflect a satisfactory financial position. Notwithstanding the fact that we operate in the "not for profit" sector, we aim to achieve a small surplus each year to enable us to provide state of the art resources for the benefit of the young people in our care. Our policy therefore is to have sufficient funds to meet our financial obligations timeously and to provide the best possible service to our clients at a reasonable cost. There is no policy to build reserves in excess of an amount equal to two months' payroll costs, which would amount to £161,724 based on current expenditure levels. At 31 March 2016 the charity has no reserves once amounts tied up in fixed assets are excluded.

Factors Likely to Affect Future Financial Performance

The main factors are:

- demand for services; and
- the performance of The Experience

Principal financial management policies

The company has in place a number of financial management policies, the main ones being

1. keeping a strict control over expenditure via prescribed levels of authorisation and procurement, with the Board of Directors, a majority of whom need to be non-executives, requiring to authorise any significant amounts;
2. monitoring cashflows very closely;
3. communicating results to all levels of management;
4. maintaining assets to a high standard; and
5. employing a dedicated Internal Auditor to perform regular checks on all finance related systems and policies

Plans for Future Periods

We will continue to invest time and effort in developing 'The Experience' - our large youth training and employment centre operating as a social enterprise in the leisure and hospitality sector. It started to trade in November 2014, with phase 2 opening in May 2015.

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Report of the Trustees for the year ended 31 March 2016

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the KibbleWorks for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 charity 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charity 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.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:


Name: 

Date: 25 October 2016

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF KIBBLEWORKS FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of KibbleWorks for the year ended 31 March 2016 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 company and the company'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 Trustees' Responsibilities Statement set out on page 11 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 as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2016 and of the group and parent charitable company's incoming resources and application of resources, including their 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF KIBBLEWORKS FOR THE YEAR ENDED 31 MARCH 2016

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.



Senior statutory auditor
For and on behalf of Wylie & Bisset LLP, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 25 October 2016

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Income and endowments from:							
Donations and legacies	6	2,468,356	470,967	2,939,323	1,007,287	672,296	1,679,583
Charitable activities	7	838,605	-	838,605	421,451	-	421,451
Other trading activities	8	167,722	-	167,722	102,231	-	102,231
Total Income		3,474,683	470,967	3,945,650	1,530,969	672,296	2,203,265
Expenditure on:							
Raising funds							
Other trading activities	10	166,414	-	166,414	87,103	-	87,103
Charitable activities	11	3,426,867	6,863	3,433,730	1,968,283	5,090	1,973,373
Total Expenditure		3,593,281	6,863	3,600,144	2,055,386	5,090	2,060,476
Net income/(expenditure)		(118,598)	464,104	345,506	(524,417)	667,206	142,789
Transfers between funds		506,745	(506,745)	-	669,895	(669,895)	-
Net movement in funds		388,147	(42,641)	345,506	145,478	(2,689)	142,789
Funds reconciliation							
Total Funds brought forward	23, 24	359,656	55,543	415,199	214,178	58,232	272,410
Total Funds carried forward	23, 24	747,803	12,902	760,705	359,656	55,543	415,199

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

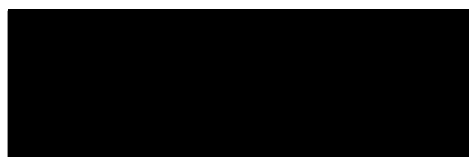
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CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

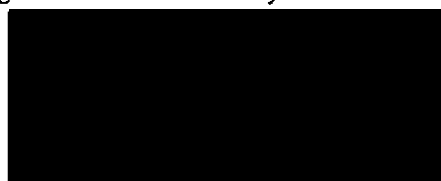
	Note	£	2016 £	2015 £
Fixed assets:				
Tangible assets	16		4,087,711	3,877,582
Current assets:				
Stocks	18	-		160,000
Debtors	19	139,990		297,032
Cash at bank and in hand	28	38,861		287,229
Total current assets		<u>178,851</u>		<u>744,261</u>
Liabilities:				
Creditors falling due within one year	20	<u>(411,687)</u>		<u>(350,777)</u>
Net current (liabilities)/assets			(232,836)	393,484
Total assets less current Liabilities				
			3,854,875	4,271,066
Creditors: Amounts falling due after more than one year	22		<u>(3,094,170)</u>	<u>(3,855,867)</u>
Net assets			<u>760,705</u>	<u>415,199</u>
The funds of the group:				
Restricted funds	23		12,902	55,543
Unrestricted funds	24		747,803	359,656
Total funds			<u>760,705</u>	<u>415,199</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees on 25th October 2016 and signed on their behalf by:



Name: 



Name: 

KIBBLEWORKS

(A company limited by guarantee)

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Income and endowments from:							
Donations and legacies	6	2,468,356	470,967	2,939,323	1,007,287	672,296	1,679,583
Charitable activities	7	838,605	-	838,605	421,563	-	421,563
Investments	9	1,309	-	1,309	23,942	-	23,942
Total Income		3,308,270	470,967	3,779,237	1,452,792	672,296	2,125,088
Expenditure on:							
Charitable activities	11	3,426,867	6,863	3,433,730	1,968,283	5,090	1,973,373
Total Expenditure		3,426,867	6,863	3,433,730	1,968,283	5,090	1,973,373
Net (expenditure)/ income		(118,597)	464,104	345,507	(515,491)	667,206	151,715
Transfers between funds		506,745	(506,745)	-	669,895	(669,895)	-
Net movement in funds		388,148	(42,641)	345,507	154,404	(2,689)	151,715
Funds reconciliation							
Total Funds brought forward	23	357,826	55,543	413,369	203,422	58,232	261,654
Total Funds carried forward	23	745,974	12,902	758,876	357,826	55,543	413,369

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

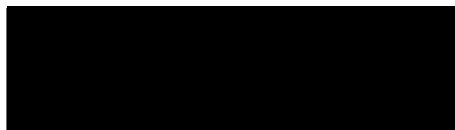
KIBBLEWORKS
(A company limited by guarantee)

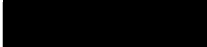
CHARITY BALANCE SHEET AS AT 31 MARCH 2016

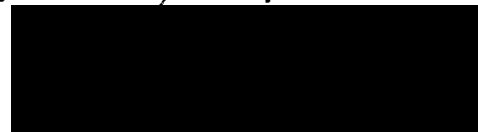
	Note	£	2016 £	2015 £
Fixed assets:				
Tangible assets	16		4,087,711	3,877,582
Investments	17		300	300
Total fixed assets			<u>4,088,011</u>	<u>3,877,882</u>
Current assets:				
Debtors	19	139,990		374,486
Cash at bank and in hand	28	<u>38,857</u>		<u>285,324</u>
Total current assets		178,847		659,810
Liabilities:				
Creditors falling due within one year	20	<u>(411,787)</u>		<u>(268,421)</u>
Net current assets			(232,940)	391,389
Total assets less current liabilities				
			3,855,071	4,269,271
Creditors: Amounts falling due after more than one year	22		<u>(3,096,195)</u>	<u>(3,855,902)</u>
Net assets			<u>758,876</u>	<u>413,369</u>
The funds of the charity:				
Restricted funds	23		12,902	55,543
Unrestricted funds			745,974	357,826
Total funds			<u>758,876</u>	<u>413,369</u>

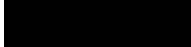
These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees on 25th October 2016 and signed on their behalf by:



Name: 



Name: 

KIBBLEWORKS
(A company limited by guarantee)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
<i>Cash flows from operating activities:</i>			
Net cash provided by operating activities	27	593,216	3,808,647
<i>Cash flows from investing activities:</i>			
Interest payable		(19,737)	(2,475)
Purchase of tangible fixed assets		(704,471)	(3,576,199)
Net cash used in investing activities		(724,208)	(3,578,674)
<i>Cash flows from financing activities:</i>			
Repayment of hire purchase		(117,376)	-
Net cash provided by financing activities		(117,376)	-
Change in cash and cash equivalents in the year		(248,368)	229,973
Cash and cash equivalents brought forward	28	287,229	57,256
Change in cash and cash equivalents		(248,368)	229,973
Cash and cash equivalents carried forward	28	38,861	287,229

KIBBLEWORKS
(A company limited by guarantee)
CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
<i>Cash flows from operating activities:</i>			
Net cash provided by operating activities	27	593,879	3,808,647
<hr/>			
<i>Cash flows from investing activities:</i>			
Interest payable		(18,499)	(2,475)
Purchase of property, plant and equipment		(704,471)	(3,576,199)
Net cash (used in) investing activities		(722,970)	(3,578,674)
<hr/>			
<i>Cash flows from financing activities:</i>			
Repayment of hire purchase		(117,376)	-
Net cash provided by financing activities		(117,376)	-
<hr/>			
Change in cash and cash equivalents in the year		(246,467)	230,404
<hr/>			
Cash and cash equivalents brought forward	28	285,324	54,920
Change in cash and cash equivalents		(246,467)	230,404
Cash and cash equivalents carried forward	28	38,857	285,324
<hr/>			

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Kibble Construction Limited, Kibble Campus Developments Limited and Kibble Trading Limited on a line by line basis.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(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 and the Charities SORP FRS 102 a restatement of comparative items was needed. The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

(c) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in notes 23 and 24.

(d) Income recognition

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 receivable 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 either 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.

Interest on funds held on deposit is included when 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.

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

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 grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met (see note 21).

(e) Expenditure recognition

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Other trading activities comprise costs associated with generating trading income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

The allocation of support and governance costs is analysed in note 12.

(g) Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised, including any incidental expenses of acquisition. Depreciation is charged as follows:

Leasehold improvements	Over 4 – 20 years
Motor vehicles	Over 3 years
Equipment	Over 3 – 5 years
Assets under construction	Not depreciated

(h) Fixed asset investments

Investments in subsidiary undertakings are included at cost less provision for permanent diminution in value.

(i) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

(j) 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.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(l) 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.

(m) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 13. There were no outstanding contributions at the year end.

The money purchase plan is managed by various providers and the plans invest the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

The pension costs charged to the Statement of Financial Activities represent the amount of employer's contributions payable to the defined contribution pension schemes in respect of the accounting period.

(n) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown in note 26 to the accounts.

(o) Taxation

The charity is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Charitable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(p) Financial instruments

The company 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.

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

2. Legal status

KibbleWorks Limited is a registered Scottish charity.

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Financial activities of the subsidiaries

KIBBLE CONSTRUCTION LIMITED

The charity has a wholly owned trading subsidiary Kibble Construction Limited, which is incorporated in Scotland and whose principal activity was property development. During the year ended 31 March 2016 the company sold its remaining properties and became dormant. No tax is payable by the entity. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below.

	2016 £	2015 £
Turnover and other operating income	167,723	102,231
Cost of sales and administrative expenses	(166,485)	(108,640)
Net profit/(loss)	1,238	(6,409)
Interest payable and similar charges	(1,238)	(2,475)
Retained in subsidiary	-	(8,884)
The assets and liabilities of the subsidiary were:		
Current assets	101	161,905
Current liabilities	-	(161,804)
Total net assets	101	101
Aggregate share capital and reserves	101	101

KIBBLE CAMPUS DEVELOPMENTS LIMITED

The charity has a second wholly owned trading subsidiary Kibble Campus Developments Limited, which is incorporated in Scotland and whose principal activity was property development. The company ceased to trade in the prior year and is now dormant. No tax is payable by the entity. The charity owns the entire share capital of 100 ordinary shares of £1 each. A summary of the trading results is shown below.

	2016 £	2015 £
Turnover and other operating income	-	-
Cost of sales and administrative expenses	-	(43)
Net (loss)	-	(43)
Retained in subsidiary	-	(43)

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

3. Financial activities of the subsidiaries (continued)

The assets and liabilities of the subsidiary were:

Current assets	1,929	1,929
Total net assets	1,929	1,929
Aggregate share capital and reserves	1,929	1,929

KIBBLE TRADING LIMITED

The charity has a third wholly owned trading subsidiary Kibble Trading Limited, which is incorporated in Scotland and was dormant throughout this year and last. The charity owns the entire share capital of 100 ordinary shares of £1 each.

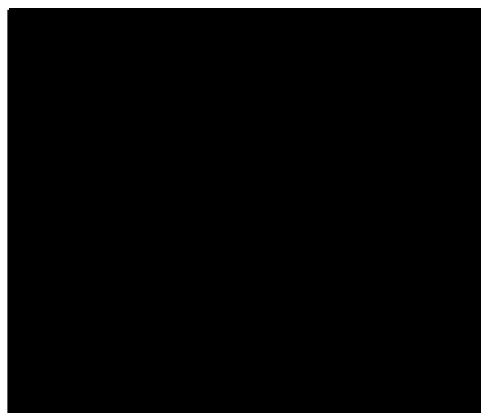
	2016 £	2015 £
Current assets	100	100
Total net assets	100	100
Aggregate share capital and reserves	100	100

4. Immediate and Ultimate Controlling Party

The company's immediate controlling party is Kibble Education and Care Centre, a Scottish registered company under number SC158220, limited by guarantee and having charitable status under number SC026917.

The company is ultimately governed by Miss Elizabeth Kibble's Trust, Charity Number SC010048. Copies of their accounts can be obtained from Abercorn House, 79 Renfrew Road, Paisley.

The Directors of KibbleWorks are also Directors of Kibble Education and Care Centre. The following directors, who served during the year under review and since the year end date (unless otherwise stated), are also trustees of Miss Elizabeth Kibble's Trust:



(appointed 01 April 2016)

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

5. Related party transactions and trustees' expenses and remuneration

KibbleWorks has taken advantage of the exemption granted by section 33.1A of FRS 102 and chosen not to disclose transactions with group companies.

No Trustees received any remuneration during the year (2015 – £Nil). No expenses were reimbursed to Trustees during the year (2015 - £Nil). No Trustees waived expenses which they were eligible to claim during the year (2015 - £Nil).

During the year, 2 trustees (2015 – 2) received services from KibbleWorks totalling £280 (2015 - £279). All transactions were conducted at arm's length.

There have been no other disclosable transactions by any Trustee or other person related to the charity during the year (2015: none).

6. Income from donations and legacies

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Donations	443,389	291,296	443,389	291,296
UK Grants	217,831	7,287	217,831	7,287
European Income	28,103	381,000	28,103	381,000
Other Grants	2,250,000	1,000,000	2,250,000	1,000,000
	<u>2,939,323</u>	<u>1,679,583</u>	<u>2,939,323</u>	<u>1,679,583</u>

7. Income from charitable activities

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Enterprise Activities	838,605	421,451	838,605	421,563
	<u>838,605</u>	<u>421,451</u>	<u>838,605</u>	<u>421,563</u>

8. Income from other trading activities

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Kibble Construction	167,722	102,231	-	-
	<u>167,722</u>	<u>102,231</u>	<u>-</u>	<u>-</u>

9. Income from investments

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Gift aid received	-	-	1,309	23,942
	<u>-</u>	<u>-</u>	<u>1,309</u>	<u>23,942</u>

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016**10. Raising funds – expenditure on other trading activities - Group**

	Direct Costs £	Support Costs £	Total 2016 £	Total 2015 £
Kibble Construction	166,414	-	166,414	87,060
Kibble Campus Developments	-	-	-	43
	<u>166,414</u>	<u>-</u>	<u>166,414</u>	<u>87,103</u>

11. Analysis of expenditure on charitable activities – Group and Charity

	Enterprise Activities £	2016 Total £	2015 Total £
Staff and care costs	1,862,316	1,862,316	1,087,362
Trading expenditure	229,477	229,477	160,435
Property & Communication costs	475,771	475,771	402,301
Depreciation	494,342	494,342	166,147
Interest paid	19,723	19,723	2,475
Administration & ICT	343,831	343,831	150,573
Governance costs (note 12)	8,270	8,270	4,080
	<u>3,433,730</u>	<u>3,433,730</u>	<u>1,973,373</u>

12. Allocation of support and governance costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Governance costs:	2016 £	2015 £
Auditor's remuneration	8,270	4,080
	<u>8,270</u>	<u>4,080</u>

Breakdown of governance and support costs by activity;

	Support costs £	Governance £	2016 £	2015 £
Enterprise Activities	-	8,270	8,270	4,080
	<u>-</u>	<u>8,270</u>	<u>8,270</u>	<u>4,080</u>

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

13. Analysis of staff costs and remuneration of key management personnel

	2016	2015
	£	£
Salaries and wages	1,594,388	874,127
Social security costs	111,012	61,114
Pension costs	22,978	5,102
	<u>1,728,378</u>	<u>940,343</u>

	2016	2015
	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>106</u>	<u>86</u>

No employees had employee benefits in excess of £60,000 (2015: Nil).

Total remuneration of the key management personnel of the charity was £nil (2015: £nil)

During the year the charity made termination payments of £10,775 which were fully funded.

14. Net income for the year

This is stated after charging:	2016	2015
	£	£
Auditors remuneration:		
KibbleWorks	5,430	4,080
Subsidiaries	705	2,345
Non-audit services	2,135	-
Interest payable	19,737	-
Depreciation	494,342	166,146
Operating lease rentals	<u>33,000</u>	<u>33,000</u>

15. Government grants

Income from charitable activities includes government grants of £28,103 (2015 - £381,000) received from the European Regional Development Fund. The funding has been received in order to provide support for Phase 1 of The Experience building works.

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016**16. Tangible Fixed Assets - Group & Company**

	Leasehold Improvements	Motor Vehicles	Fittings, Furnishings & Equipment	Assets Under Construction	Total
Cost or valuation	£	£	£		£
At 1 April 2015	2,503,742	105,037	801,123	710,765	4,120,667
Additions	-	34,442	273,145	396,884	704,471
Transfers	1,107,649	-	-	(1,107,649)	-
Disposals	-	(490)	-	-	(490)
At 31 March 2016	3,611,391	138,989	1,074,268	-	4,824,648
At 1 April 2015	115,318	34,303	93,464	-	243,085
Charge for the year	192,111	42,387	259,844	-	494,342
Eliminated on disposals	-	(490)	-	-	(490)
At 31 March 2016	307,429	76,200	353,308	-	736,937
At 31 March 2016	3,303,962	62,789	720,960	-	4,087,711
At 31 March 2015	2,388,424	70,734	707,659	710,765	3,877,582

The net book values at 31 March 2016 represent fixed assets used for:

Direct charitable purposes	3,303,962	62,789	720,960	-	4,087,711
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17. Investments

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Investments in Subsidiaries	-	-	300	300
	-	-	300	300

The company owns the entire ordinary share capital, 100 shares of £1 each, of three subsidiaries; Kibble Construction Limited, Kibble Campus Developments Limited and Kibble Trading Limited. Full details of the subsidiaries are given in note 3.

18. Stock

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Property for resale	-	160,000	-	-
	-	160,000	-	-

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016**19. Debtors**

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	41,814	30,104	41,814	30,104
Other debtors and prepayments	98,176	265,035	98,176	265,632
Due from group undertakings	-	1,893	-	78,750
	<u>139,990</u>	<u>297,032</u>	<u>139,990</u>	<u>374,486</u>

20. Creditors: amounts falling due within one year

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	74,831	70,398	74,831	70,398
Other taxes and social security	28,234	21,969	28,234	21,969
Other creditors and accruals	112,161	178,346	112,221	176,054
Due to parent company	-	80,064	-	-
Hire purchase creditor	156,501	-	156,501	-
Deferred income (Note 21)	40,000	-	40,000	-
	<u>411,687</u>	<u>350,777</u>	<u>411,787</u>	<u>268,421</u>

21. Deferred income

	Group £	Charity £
Balance as at 1 April 2015	-	-
Amount released to income earned from charitable activities	-	-
Amount deferred in year	40,000	40,000
Balance as at 31 March 2016	<u>40,000</u>	<u>40,000</u>

Deferred income comprises income received towards venue hires taking place in the year to 31 March 2017.

22. Creditors: amounts falling due after more than one year

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Hire purchase creditor (due in 1-2 years)	156,501	-	156,501	-
Hire purchase creditor (due in 2-5 years)	39,125	-	39,125	-
Due to group undertakings	-	-	2,025	-
Due to parent company	2,898,544	3,855,867	2,898,544	3,855,902
	<u>3,094,170</u>	<u>3,855,867</u>	<u>3,096,195</u>	<u>3,855,902</u>

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

22. Creditors: amounts falling due after more than one year (cont.)

The company has a cross guarantee supported by a bond and a floating charge, and group facility with Kibble Education and Care Centre, Kibble Construction Limited and Kibble Campus Developments Limited in favour of the Royal Bank of Scotland plc in respect of all borrowings of the group. Group borrowings comprise a £4.5million loan balance within Kibble Education and Care Centre.

The bank loans balance comprises two Royal Bank of Scotland plc term loans both repayable by 2021. The combined principal amount of these two loans was £7million. A swap is in place for half of the debt to limit the exposure if interest rates were to increase. The swap is due to expire in January 2017. The fair value of the swap is immaterial and is therefore not accounted for on balance sheet.

23. Analysis of restricted funds – Group and Charity

	As at 1 April 2015 £	Income £	Expenditure £	Transfers £	As at 31 March 2016 £
Climate Change Fund	14,819	-	4,363	-	10,456
MacRoberts Peter Brough	2,401	-	-	-	2,401
Glasgow Airport Flightpath Fund	38,323	-	-	(38,323)	-
Merchants House of Glasgow	-	2,000	2,000	-	-
MacTaggart & Co	-	45	-	-	45
ERDF	-	28,103	-	(28,103)	-
The Robertson Trust	-	200,000	-	(200,000)	-
The ClothWorkers' Foundation	-	200,000	-	(200,000)	-
Hugh Fraser Foundation	-	20,000	-	(20,000)	-
Barrack Charitable Trust	-	2,000	-	(2,000)	-
Peoples Postcode	-	10,001	-	(10,001)	-
The Boshier-Hinton Foundation	-	1,926	-	(1,926)	-
Shared Care Grant	-	3,892	-	(3,892)	-
Pacific Building for Makaton Courses	-	500	500	-	-
Bruce Wake Trust	-	2,500	-	(2,500)	-
	55,543	470,967	6,863	(506,745)	12,902

Restricted funds comprise:

Climate Change Fund – supports the Kibble Community Garden with trees for planting.

MacRoberts Peter Brough – supports Promoworks and The Experience go-karting. Funding expected to be spent in 2016/17.

Glasgow Airport Flightpath Fund – donation received to fund disabled go-karts for The Experience which were purchased during the year. Balance transferred to fixed asset designated fund.

Merchants House of Glasgow – donation received to fund Karting with a Conscience at The Experience.

MacTaggart & Co – donation received to fund Karting with a Conscience at The Experience.

ERDF - supported construction costs at The Experience. Transferred to fixed assets designed reserve on completion of the construction project.

The Robertson Trust - supported Leisure and Learning at The Experience. Transferred to fixed asset designated reserve on completion of the construction project.

KIBBLEWORKS

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

23. Analysis of restricted funds – Group and Charity (cont.)

The ClothWorkers' Foundation – supported capital costs for construction of The Experience. Transferred to fixed assets designated fund on completion of the construction project.

Hugh Fraser Foundation – supported capital costs for construction of The Experience. Transferred to fixed assets designated fund on completion of the construction project.

Barrack Charitable Trust – supported the costs of installing a Multi Sensory Room at The Experience. Transferred to fixed assets designated fund on completion of the Multi Sensory Room.

Peoples Postcode - supported the costs of installing a Multi Sensory Room at The Experience. Transferred to fixed assets designated fund on completion of the Multi Sensory Room.

The Boshier-Hinton Foundation - supported the costs of installing a Multi Sensory Room at The Experience. Transferred to fixed assets designated fund on completion of the Multi Sensory Room.

Shared Care Grant - supported the costs of installing a Multi Sensory Room at The Experience. Transferred to fixed assets designated fund on completion of the Multi Sensory Room.

Pacific Building for Makaton Courses – supported the Makaton Certificate – disability access programme.

Bruce Wake Trust - supported the cost of installing a hoist for the disability access karting programme at The Experience. Transferred to fixed assets designated fund on completion of the construction project.

24. Analysis of unrestricted funds – Group

	As at 1 April 2015 £	Income £	Expenditure £	Transfers £	As at 31 March 2016 £
General charitable funds	359,656	3,474,683	3,593,281	506,745	747,803
	<u>359,656</u>	<u>3,474,683</u>	<u>3,593,281</u>	<u>506,745</u>	<u>747,803</u>

25. Net assets over funds - Group

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Fixed assets	4,087,711	-	4,087,711
Debtors	139,990	-	139,990
Cash at Bank and in hand	25,959	12,902	38,861
Creditors due in less than one year	(411,687)	-	(411,687)
Creditors due in more than one year	(3,094,170)	-	(3,094,170)
	<u>747,803</u>	<u>12,902</u>	<u>760,705</u>

KIBBLEWORKS

(A company limited by guarantee)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016**26. Operating lease commitments – Group**

The company had annual commitments under non-cancellable leases as set out below:

	2016	2015
	Property	Property
	£	£
Operating leases which expire:		
Within one year	33,000	33,000
In the second to fifth years inclusive	55,000	88,000
	<u>88,000</u>	<u>121,000</u>

27. Reconciliation of net expenditure to net cash flow from operating activities

Group	2016	2015
	£	£
Net income for the year (as per the Statement of Financial Activities)	345,506	142,789
Adjustments for:		
Depreciation charges	494,342	166,146
Inception of hire purchase	469,503	-
Interest payable	19,737	2,475
Decrease in stocks	160,000	80,000
Decrease/(increase) in debtors	157,042	(198,345)
(Decrease)/increase in creditors	(1,052,914)	3,615,582
Net cash provided by operating activities	<u>593,216</u>	<u>3,808,647</u>

Charity	2016	2015
	£	£
Net income for the year (as per the Statement of Financial Activities)	345,507	151,715
Adjustments for:		
Depreciation charges	494,342	166,146
Inception of hire purchase	469,503	-
Interest payable	18,499	2,475
Decrease/(increase) in debtors	234,496	(224,337)
(Decrease)/increase in creditors	(968,468)	3,713,079
Net cash provided by operating activities	<u>593,879</u>	<u>3,808,647</u>

28. Analysis of cash and cash equivalents

	Group	Group	Charity	Charity
	2016	2015	2016	2015
	£	£	£	£
Cash in hand	38,861	287,229	38,857	285,324
Total cash and cash equivalents	<u>38,861</u>	<u>287,229</u>	<u>38,857</u>	<u>285,324</u>