

EAST DURHAM PARTNERSHIP LIMITED
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

COMPANY NO. 03055620

REGISTERED CHARITY NO. 1090261

THURSDAY



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COMPANIES HOUSE

EAST DURHAM PARTNERSHIP LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

Current trustees and directors

K. Hawkrigde-Smith (Chair, company director)

F.J. Shepherd (company director)

M. McNichol (company director)

J.T. McLoughlin (company director)

Chief Executive Officer

E. Foxton

Registered office

1 Kilburn Drive

Seaview Industrial Estate

Horden

Peterlee

Co. Durham

SR8 4TQ

Auditors

Evolution Business and Tax Advisors LLP

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Bankers

Lloyds Bank plc

31 Yoden Way

Peterlee

SR8 1AW

Solicitors

Swinburne Maddison LLP

Venture House

Aykley Heads Business Centre

Durham

DH1 5TS

EAST DURHAM PARTNERSHIP LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 July 2015.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 11 May 1995 and registered as a charity on 25 January 2002. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Articles were updated in 2014 to more accurately reflect the modern activity undertaken by the Charity. Under these revised Articles the Board comprises four trustees and the geographical area of scope is extended. The objectives of the Charity are to promote any charitable purpose for the benefit of the East Durham community and in particular for the advancement of education and the furtherance of health and the relief of poverty, illness, distress and sickness.

The directors of the charitable company are its trustees for the purpose of charity law, and throughout the report are collectively referred to as the trustees.

Recruitment and appointment of trustees

Under the requirements of the company's Memorandum and Articles of Association one third of the trustees are required to retire by rotation at each Annual General Meeting.

New trustees are elected at the Annual General Meeting as other trustees stand down. Once elected trustees are given appropriate roles and have one vote each which will contribute to the decision making process.

Trustee induction and training

Trustees undergo an induction period which includes specific training relevant to financial regulations and other responsibilities and accountabilities.

Current trustees have attended a formal training programme which will be continually updated.

Trustees and directors

The following people served during the period:

K. Hawkrigge-Smith (Chair, company director)
F.J. Shepherd (Secretary, company director)
M.J. McNichol (company director)
J.T. McLoughlin (company director)
J.W. McNay (company director) – Resigned 10 October 2014
P.F. Burton (company director) – Resigned 25 March 2015

Organisational structure

The organisational structure has contracted since the TUPE exercise on 1 August 2014 and now consists of a retained part time Chief Executive Officer and a small team of staff with delegated responsibility, each of whom is in charge of a specific area of activity. The team meet regularly and report back to the trustees who retain ultimate power for making decisions. The part time retained financial manager maintains control of all financial transactions in conjunction with the Chief Executive Officer. The board of trustees retains paid consultants who support and advise the board on an ongoing basis. The board can elect to co-opt advisers as and when appropriate to inform the decision making process.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015 (continued..)

Risk management

The trustees have reviewed the major risks to which the charity is exposed and systems have been established to mitigate those risks. The company has achieved ISO accreditation. External risks to funding have resulted in a strategic plan which allows for the diversification of funding and activities. The Charity obtained Matrix accreditation in 2014 demonstrating the high level of importance placed on the provision of quality training programmes by the trustees and the management of associated risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed both internally and externally to ensure that they still meet the needs of the charity. Financial controls are monitored regularly and further new controls have been introduced since the end of the period.

Related parties

On 19 February 2008, the company formed a subsidiary undertaking, East Durham Partnership Enterprises Limited. The company remained dormant until it was dissolved on 7 July 2015.

Mrs. M Shepherd, a person connected with Mr. F.J. Shepherd, trustee, was paid £41,130 (2014: £24,825) by the company during the period through a contract of employment.

Mr. JT McLoughlin, Trustee, is an employee of the company's bankers Lloyds TSB.

Objectives and activities

Statement of charity's objectives

The objectives of the company are to promote any charitable purpose for the benefit of the East Durham community and in particular the advancement of education and the furtherance of health and the relief of poverty, distress and sickness.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's aims and objectives and in planning the company's future activities. The trustees consider how planned activities will contribute to the aims and objectives they have set.

The company will continue to achieve its aims for the public benefit by expanding its reuse activities and undertaking educational and job creation projects. The reuse facility provides employment and training for members of the community who would otherwise be unemployed and also offers goods for sale to members of the public who are mostly on low incomes. The educational projects offer essential training and work experience for the disadvantaged members of the community.

Review of activities

The company has continued to be successful in carrying out various educational projects, although, income levels from these sources decreased by 5% during the accounting period. These projects are consistent with the company's objective of advancing education and creating employment in the East Durham community and its environs. Income from New College Durham had a significant impact on the level of activities undertaken in the financial year.

The company has also managed other community based projects in the local area generally with the aim of increasing employability and alleviating poverty.

The company was involved in a stock transfer and TUPE exercise in August 2014 and worked collaboratively with Derwentside Homes (RHP) to establish the new Enterprise Durham Partnership Ltd. which is a wholly owned subsidiary of Derwentside Homes and operates on a not for profit basis. Enterprise Durham Partnership took ownership and management of the sale of furniture and white goods as part of the stock transfer with the Charity retaining responsibility for training unemployed residents and delivering services to local disadvantaged residents. Enterprise Durham Partnership leased the charitable premises at Kilburn Drive as part of the Stock Transfer Agreement. Income generated from the lease, added to the income generated from training allowed the charity to maintain the services of some retained staff and continues to offer its services to the community. The Charity will concentrate on providing services to the local community thus addressing its objectives.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015 (continued..)

Financial review

Results

Income from the sale of furniture and white goods decreased during the year due to the transfer of this activity to Enterprise Durham Partnership Limited

Activities for generating funds decreased to £937,700 (2014: £1,495,900). The cost of generating these funds was £800,580 (2014: £1,206,706).

Net incoming resources for the period amounted to £158,700 (2014: £221,994). Total funds at 31 July 2015 amounted to £1,496,354 (2014: £1,337,654), of which £581,457 (2014: £605,197) relates to restricted funds, mainly comprising the fund relating to the company's premises and reuse initiative.

The trustees are satisfied with the result for the period, but will be investigating other income generating opportunities throughout the forthcoming months. Collaborative work with Credit Unions has resulted in some positive outcomes.

Principal funding sources

The main source of funding for activities in furtherance of the charities objects was from the Big Lottery Fund.

The main sources of income from education subcontracts was New College Durham and Learn Direct (Kaplan).

Investment policy

The trustees consider that any excess cash funds should be placed on bank deposit. This policy will be reviewed by the management committee should excess funds become significant. An amount of £603,074 was held in an interest bearing account with Lloyds TSB at the balance sheet date. The level of funds on deposit in the account will be reviewed annually.

Reserves policy

The trustees have established a policy whereby unrestricted reserves are maintained at a level sufficient to meet management and administration costs for the foreseeable future. The strict control of unrestricted cash flows and income from the delivery of charitable projects has enabled the charitable company to achieve this aim at the balance sheet date. However, in view of uncertainties facing the charitable sector in the current economic climate, the reported level of reserves may not be maintained in future periods. The trustees have decided that the organisation must aim to retain sufficient reserves to fulfil its financial commitments should income generated from the company's core activities cease. The commitments would include up to 6 months salary for existing members of staff. The level of reserves are monitored on a weekly basis by the financial manager in an attempt to maintain the desired level of reserves.

Plans for future periods

In view of the level of reserves in the year, the trustees have agreed to invest reserves as far as possible into additional initiatives such as supporting individuals accessing Greggs Hardship grants by funding the installation and delivery of appliances. Local disadvantaged residents continue to be offered work placements and free advice and guidance. As one of New College's prime partners the company is regularly offered new types of training contract whenever relevant new funding becomes available. Being positioned and prepared to apply for new contracts as they arise will ensure the charity's financial sustainability and maintain the current very positive relationship with New College.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015 (continued..)

Statement of responsibilities of the trustees

The trustees, who are also the directors of East Durham Partnership Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these accounts, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

In so far as the trustees are aware:


- there is no relevant audit information of which the company's auditors are 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.

Auditors

A resolution proposing that Evolution Business and Tax Advisers LLP be reappointed as auditors of the company will be put to the members.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the trustees on *14-03-2016* and is signed on their behalf by:


F. J. Shepherd
Director

EAST DURHAM PARTNERSHIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST DURHAM PARTNERSHIP LIMITED

We have audited the financial statements of East Durham Partnership Limited for the year ended 31 July 2015 set out on pages 7 to 17. 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 charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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, including APB Ethical Standard Provisions Available for Small Entities in the circumstances set out in note 22 to the financial statements.

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 Report of the Trustees to identify material inconsistencies with the audited financial statements. 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 charitable company's affairs as at 31 July 2015, 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EAST DURHAM PARTNERSHIP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST DURHAM PARTNERSHIP LIMITED (continued..)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

.....
S. duhan

Date: *16 March 2016*

Evolution Business and Tax Advisors LLP
Statutory Auditor
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Evolution Business and Tax Advisors LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

EAST DURHAM PARTNERSHIP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Incoming resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Grants and donations	2	-	106,813	106,813	140,023
Activities for generating funds	3	937,700	-	937,700	1,495,900
Investment income	4	2,882	-	2,882	1,017
Other incoming resources	5	32,050	1,414	33,464	50,354
Total incoming resources		972,632	108,227	1,080,859	1,687,294
Resources expended					
<i>Costs of generating funds</i>					
Fundraising trading: costs of goods and services	6	668,613	131,967	800,580	1,206,706
Charitable expenditure	7	87,478	-	87,478	214,851
Governance costs	8	34,101	-	34,101	43,743
Total resources expended		790,192	131,967	922,159	1,465,300
Net (outgoing)/incoming resources before transfers		182,440	(23,740)	158,700	221,994
Gross transfers between funds		-	-	-	-
Net movement in funds		182,440	(23,740)	158,700	221,994
Total funds brought forward		732,457	605,197	1,337,654	1,115,660
Total funds carried forward		914,897	581,457	1,496,354	1,337,654

Movements in funds are disclosed in note 15 to the financial statements.

The annexed notes form part of these financial statements.

EAST DURHAM PARTNERSHIP LIMITED

BALANCE SHEET AS AT 31 JULY 2015

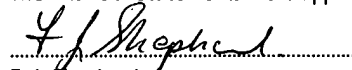
	Note	£	2015 £	2014 £
Fixed assets				
Tangible assets	11		651,882	711,815
Current assets				
Stocks		-	69,743	
Debtors	12	182,420	145,762	
Cash at bank and in hand		812,518	488,824	
		<u>994,938</u>	<u>704,329</u>	
Creditors				
Amounts falling due within one year	13	(150,466)	(78,492)	
Net current assets			<u>844,472</u>	<u>625,837</u>
Total assets less current liabilities			<u>1,496,354</u>	<u>1,337,652</u>
Net assets			<u>1,496,354</u>	<u>1,337,652</u>
The funds of the charity:				
Unrestricted income funds	15		914,897	732,457
Restricted income funds	15		581,457	605,197
Total charity funds	15		<u>1,496,354</u>	<u>1,337,654</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2015, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the trustees on 14-03-2016 and are signed on their behalf by:


F. J. Shepherd
Director

The annexed notes form part of these financial statements.

COMPANY NO. 03055620

REGISTERED CHARITY NO. 1090261

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

1. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in "Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)".

The effect of events in relation to the year ended 31 July 2015 which occurred before the date of approval of the financial statements by the trustees, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 July 2015 and of the results for the year ended on that date.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees names on the Legal and Administrative Information page. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable.

Grants, including capital grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Incoming resources from grants, where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance.

Incoming resources from charitable trading activity are accounted for when earned.

Donated goods, services and facilities

Donated services and facilities are included at the value to the charity where this can be quantified. In particular, the value of donated furniture and white goods is calculated as 25% of the value when sold.

The value of these donations is recognised in the accounting period in which the company sold the goods, and is included in voluntary income as "Value of donated furniture and white goods sold during the period" (see note 2), with an equivalent amount being included in Costs of Generating Funds (see note 6).

Sales of fabric etc includes sales of donated goods. The charity does not reflect the deemed cost of fabrics sold within the financial statements as the value of these donated fabrics is considered negligible.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Costs of generating funds comprise the costs associated with the provision of management and educational services and operation of the furniture, recycling and other activities.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

Depreciation

Tangible fixed assets costing more than £300 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Buildings	-2% per annum straight line
Computer equipment	-40% per annum reducing balance
Fixtures and equipment	-25% per annum reducing balance
Motor vehicles	-25% per annum reducing balance

Fixed assets are reviewed for possible impairments on an annual basis.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charges allocated to future periods. The finance element of the payments is charged to the Statement Of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Stocks

Bought in stock is included at the lower of cost or net realisable value.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. If the Management Committee earmark unrestricted funds for a particular purpose, such funds are transferred to Designated funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Where a restricted project is completed and the conditions allow the surplus or deficit on that project is transferred to unrestricted funds.

Pension costs

The company operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

2. Grants donations and other income

	Unrestricted £	Restricted £	Total 2015 £	Total 2014 £
Cash				
Sundry donations and income	-	-	-	193
Big Lottery Fund	-	75,168	75,168	58,298
The Henry Smith Charity	-	-	-	11,700
Esmee Fairbairn	-	-	-	35,000
County Durham Community Foundation	-	2,245	2,245	8,623
Department for Work and Pensions	-	3,150	3,150	9,844
Shaw Trust	-	-	-	640
Durham County Council	-	-	-	725
Derwentside Homes	-	26,250	26,250	-
Release of deferred income (Accent Group)	-	-	-	15,000
	<u>-</u>	<u>106,813</u>	<u>106,813</u>	<u>140,023</u>

3. Income resources from activities for generating funds

	2015 £	2014 £
Provision of management and educational services	779,808	823,903
Furniture and White Goods Sales	86,270	669,635
Rental income and room hire	44,200	-
Recharged staff costs	16,095	-
Equipment hire	5,250	-
Sale of fabrics etc	6,077	2,362
	<u>937,700</u>	<u>1,495,900</u>

Principal funding sources	Category	2015 £	2014 £
New College Durham	Education	742,976	699,115
Sales to individuals	Furniture and sale of fabrics	6,215	335,089
Prince Bishop Homes and Derwentside SHED	Furniture and neighbourhood services	-	190,528
Lean direct – Kaplan	Education	34,706	110,571
Durham County Council	Furniture	-	64,958
Holistic Temporary Accommodation & Support Service	Furniture	-	38,593
Sale of stock to Enterprise Durham Partnership Limited	Furniture	87,669	-
Enterprise Durham Partnership Limited	Rental income, recharged staff costs, equipment hire	60,545	-
		<u>932,111</u>	<u>1,438,854</u>
Other		5,589	57,046
		<u>937,700</u>	<u>1,495,900</u>

Whilst the above activities are accounted for as activities for generating funds, these activities are consistent with the company's charitable objects of providing education, the relief of poverty through the provision of affordable furniture and the provision of neighbourhood care to the community.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

4. Investment income

	2015 £	2014 £
Bank interest	2,882	1,017

5. Other incoming resources

	2015 £	2014 £
Profit on sale of tangible fixed assets	15,963	-
Profit on sale of goodwill and intellectual property	17,501	-
Other income	-	50,354
	<u>33,464</u>	<u>50,354</u>

Goodwill and intellectual property had no purchase cost prior to sale.

On 1 August 2014 East Durham Partnership Limited sold its activity of white goods and furniture to Enterprise Durham Partnership Limited on an arms' length basis for £152,020.

6. Costs of generating funds

		Provision of Furniture management white goods and fabrics and educational services £	Rental income and other £	2015 £	2014 £
Direct costs					
Furniture, white goods and fabrics – cost of goods sold		53,341	-	53,341	359,978
Wages – staff		10,052	42,594	57,646	412,178
Work wear and consumables		-	-	-	5,700
Training and accreditation		789	15,481	16,270	24,304
Course delivery		-	472,143	472,143	56,549
Professional fees		-	-	-	35
Fixed asset costs		-	8,830	22,736	36,494
Rent		-	750	750	-
Other running costs		-	-	-	3,132
Motor and travelling expenses		-	7,037	7,037	32,722
		<u>64,182</u>	<u>546,835</u>	<u>629,923</u>	<u>931,092</u>
Support costs	Basis				
Wages – staff	Time	100,783	37,476	145,896	200,898
Premises costs	Usage	-	-	4,921	22,168
Bank charges	Usage	-	180	180	906
Professional fees	Time	-	8,828	8,828	6,048
Fixed asset costs	Usage	-	3,931	3,931	7,155
Insurance	Risk	-	2,079	2,079	11,642
Communications, computer and printing	Usage	-	2,557	2,557	20,414
Other	Usage	-	186	186	6,383
		<u>100,783</u>	<u>55,237</u>	<u>170,657</u>	<u>275,614</u>
Total		<u>164,965</u>	<u>602,072</u>	<u>800,580</u>	<u>1,206,706</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

7. Resources expended on charitable activities

	2015 £	2014 £
Grants		
Grants to organisations	87,239	-
Grants to individuals	239	-
Total grants	87,478	-
Other	2015 £	2014 £
Direct costs		
Wages – beneficiaries	-	210,029
Other running costs	-	4,822
Total other resources expended on charitable activities	-	214,851
	2015 £	2014 £
Total resources expended on charitable activities	87,478	214,851

Direct and support costs are allocated to costs of generating funds in line with the company's model of generating sufficient funds from activities consistent with its charitable objects to maximise employment and training opportunities for members of the public who would otherwise be unemployed.

Grants to organisations comprise a cash grant of £10,000 and grants by way of support services amounting to £77,239.

The grant of £10,000 was paid to 1 Hart, 1 Mind 1 Future which is an organisation which specialises in helping disabled children and vulnerable families.

The amount of £77,239 comprises the cost of support to Enterprise Durham Partnership Limited, in furtherance of East Durham Partnership's charitable objective of providing employment and training opportunities for members of the public who would otherwise be unemployed.

The analysis of this support is:

	2015 £
Wages	61,510
Subsidies	4,635
Motor expenses	5,173
Fixed assets costs	5,246
Other	675
	77,239

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

8. Governance costs

	2015 £	2014 £
Staff costs	16,632	19,075
Premises and insurance costs	2,262	4,111
Motor and travel	320	934
Communications, computer and printing	138	1,031
Audit	4,850	7,200
Accountancy	701	10,369
Fixed asset costs	540	995
Bank charges	40	28
Consultancy and legal costs	8,597	-
Other sundry costs	21	-
	<u>34,101</u>	<u>43,743</u>

9. Movement in total funds for the period

	2015 £	2014 £
This is stated after charging/(crediting)		
Payments in lieu of notice and redundancy	92,288	-
(Profit) loss on disposal of fixed assets	(14,750)	(10,239)
Gain on write off of old creditor balance	-	(50,354)
Depreciation	32,453	44,328
Auditors' remuneration	4,850	7,200
- audit services		
- non audit services	771	12,859
	<u>771</u>	<u>12,859</u>

Subsequent to the sale of the furniture activity, the charity had to make senior employees redundant. The cost to the charity is included above.

10. Staff costs

	2015 £	2014 £
Staff costs were as follows:		
Salaries and wages	230,589	758,751
Social security costs	15,663	37,552
Pension costs	35,434	45,877
	<u>281,686</u>	<u>842,180</u>

The average weekly number of employees during the period, calculated on the basis of full time equivalents, was as follows:

	2015 £	2014 £
Beneficiaries	-	49
Project work and activities for generating funds	4	31
Administration and support	3	6
	<u>7</u>	<u>86</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

10. Staff costs (continued..)

	2015 £	2014 £
Number of employees whose emoluments exceeded £60,000	1	1
This comprises:		
Within the range of £90,000 - £100,000	-	1
Within the range of £110,000 - £120,000	1	-

11. Tangible fixed assets

	Land and buildings £	Computers £	Fixtures and equipment £	Motor vehicles £	Total £
Cost					
At start of period	728,620	51,364	66,717	87,178	933,879
Additions	-	3,307	-	-	3,307
Disposals	-	-	(16,689)	(52,208)	(68,897)
At end of period	728,620	54,671	50,028	34,970	868,289
Depreciation					
At start of period	104,360	38,066	48,360	31,278	222,064
Charge for period	15,646	5,938	2,438	8,431	32,453
Disposals	-	-	(8,080)	(30,030)	(38,110)
At end of period	120,006	44,004	42,718	9,679	216,407
Net book value					
At 31 July 2015	608,614	10,667	7,310	25,291	651,882
At 31 July 2014	624,260	13,298	18,357	55,900	711,815

12. Debtors

	2015 £	2014 £
Grants and project income receivable	180,689	139,231
Other debtors	1,731	6,531
	182,420	145,762

13. Creditors

	2015 £	2014 £
Amounts falling due within one year		
Activity expenditure payable	130,217	22,336
Tax and social security	18,987	35,806
Other creditors	1,262	20,350
	150,466	78,492

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

14. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	85,548	566,334	651,882
Current assets	979,815	15,123	994,938
Creditors: amounts falling due within one year	(150,466)	-	(150,466)
Creditors: amounts falling due after more than one year	-	-	-
	<u>914,897</u>	<u>581,457</u>	<u>1,496,354</u>

15. Movements in funds

	As at 1 August 2014 £	Incoming resources £	Outgoing resources £	Transfer between funds £	As at 31 July 2015 £
Restricted funds					
Building and reuse initiative	580,100	1,414	(15,180)	-	566,334
Big Lottery Fund	3,170	75,168	(63,215)	-	15,123
Esmee Fairbairn	3,500	-	(3,500)	-	-
County Durham Community Foundation	-	2,245	(2,245)	-	-
Department for Work and Pensions	9,844	3,150	(12,994)	-	-
Shaw Trust	502	-	(502)	-	-
Derwentside Homes	-	26,250	(26,250)	-	-
Accent Group	8,081	-	(8,081)	-	-
Total restricted funds	<u>605,197</u>	<u>108,227</u>	<u>(131,967)</u>	<u>-</u>	<u>581,457</u>
Unrestricted funds					
General funds	732,457	972,632	(790,192)	-	914,897
Total unrestricted funds	<u>732,457</u>	<u>972,632</u>	<u>(790,192)</u>	<u>-</u>	<u>914,897</u>
Total funds	<u>1,337,654</u>	<u>1,080,859</u>	<u>(922,159)</u>	<u>-</u>	<u>1,496,354</u>

Description of restricted funds:

Building and reuse initiative

The company purchased its premises during 2006 as a base for its furniture reuse operation, management and support function. The building was extended in 2008/9. Funding relating to the building was received from The Coalfields Regeneration Trust, Northern Rock Foundation and Easington District Council.

The company is restricted to using the building for its charitable objectives and activities to generate funds, and it does not benefit from any appreciation in the value of the property. In the event of a sale, it is probable that the sale proceeds would revert to the grant providers, unless the company acquired alternative premises to continue with its activities.

Big Lottery Fund

The BIG Lottery Fund Reaching Communities Programme provides support to third sector groups to undertake their charitable objectives. Funding has been provided to support the costs of the Social Enterprise activities and if the company continues to fulfil the grant conditions it will receive funding until the 2015/16 financial year.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015 (continued..)

15. Movements in funds (continued..)

County Durham Community Foundation

The company received assistance towards a community care and repair project and support towards apprentice and beneficiary employment costs.

Other funding

Other funding towards the employment costs of apprentices and beneficiaries was received via the Shaw Trust, Department for Work and Pensions and Derwentside Homes.

16. Share capital

The company does not have share capital, but every member of the company undertakes to contribute such an amount, not exceeding £10, as may be required to the assets of the company if it should be wound up while he is a member or within one year after he ceases to be a member for payments of the debts and liabilities of the company contracted before he ceases as a member and the costs charges and expenses of winding up and for the adjustments of the rights of the contributories among themselves.

17. Contingent liabilities

The company may have to repay grant funding in some cases if the grantor determines that grant conditions have been breached, or outputs not achieved. It is not possible to quantify this contingency.

18. Capital commitments

At the balance sheet date the company had no capital commitments (2014: £Nil).

19. Trustee expenses and remuneration

No expenses incurred by trustees were reimbursed during the period, and no remuneration was paid (2014: £Nil).

20. Controlling party

In the opinion of the trustees, the charitable company does not have a controlling party.

21. Related parties

On 19 February 2008, the company formed a subsidiary undertaking, East Durham Partnership Enterprises Limited. The company remained dormant until it was dissolved on 7 July 2015.

Mrs. M Shepherd, a person connected with Mr. F.J. Shepherd, trustee, was paid £41,130 (2014: £24,825) by the company during the period through a contract of employment.

Mr. J.T. McLoughlin, trustee, is an employee of the company's bankers, Lloyds TSB Bank plc

22. Non audit services

In common with many other organisations of our size and nature, the charity uses its auditors, Evolution Business and Tax Advisors LLP, to assist with the preparation of the financial statements, and to provide taxation services.