

EAST DURHAM PARTNERSHIP LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

COMPANY NO. 03055620

REGISTERED CHARITY NO. 1090261



EAST DURHAM PARTNERSHIP LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016 LEGAL AND ADMINISTRATIVE INFORMATION

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

Independent examiner

Baldwins Audit Services Limited

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Bankers

Lloyds Bank plc

31 Yoden Way

Peterlee

SR8 1AW

EAST DURHAM PARTNERSHIP LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

CONTENTS	PAGE
Report of the trustees	1
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2016

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements for the year ended 31 July 2016.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

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)
S. Fulcher (company director) (appointed 20/4/2016, resigned 31/8/16)

Organisational structure

The organisational structure has contracted and now consists of a 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 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 2016 (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 and was reaccredited in 2015 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

Mrs. M Shepherd, a person connected with Mr. F.J. Shepherd, trustee, is employed by the company.

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

Transactions with related parties are disclosed in the notes to the financial statements.

Objectives and activities

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 endeavours to achieve its aims for the public benefit by maximising 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.

2015/16 was a very difficult year for the Charity, mainly due to a vast reduction in the number and value of training contracts undertaken. In addition the Charity did not receive any significant grant funding during the year. Income from the lease was reduced from November 2015 and the lease was terminated by mutual consent on 31 July 2016.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2016 (continued..)

Financial review

Results

Incoming resources fell by 83% from £1,080,859 to £184,687 as a result of the decreases in education income and grant funding. Resources expended fell by 63% from £922,159 to £343,858.

Overall funds decreased by £159,171 in the year compared with an increase in funds of £158,700 in the previous year.

The company retained key staff during the year, and it has re-acquired its furniture reuse facilities. The maintenance of its furniture and staff presence at its property in Peterlee is considered fundamental to the operations of the Charity and its public image.

Principal funding sources

The main source of income derives from educational contracts and the sale of furniture and white goods.

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 £657,757 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 regularly, as cash reserves are likely to reduce significantly in the next financial year.

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 12 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

The trustees have agreed to continue to invest reserves 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. The Charity is positioned and prepared to apply for new education contracts as they arise.

Given the company's long standing presence and reputation in its warehouse facility, the Trustees consider that it is essential that the facility is kept open and fully stocked whilst alternative avenues to increase resources are considered.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2016 (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.

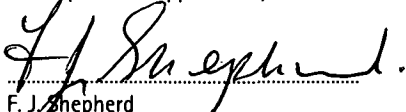
In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRSSE);
- 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.

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 on1/2/2017..... and is signed on their behalf by:


.....
F. J. Shepherd
Director

EAST DURHAM PARTNERSHIP LIMITED

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

I report on the accounts of the company for the year ended 31 July 2016 which are set out on pages 6 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).

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met.

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Baldwins
Baldwins Audit Services Limited
Chartered Accountants
Wynyard Park House
Wynyard Park
Wynyard
TS22 5TB

Date: 9 February 2017

EAST DURHAM PARTNERSHIP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income					
Donations	2	-	3,427	3,427	106,813
Investment Income	4	4,706	-	4,706	2,882
 Incoming resources from charitable activities:					
Education	3	102,266	-	102,266	779,808
Furniture and white goods	3	33,586	-	33,586	86,270
Other	3	40,702	-	40,702	71,622
 Net gain on disposal of fixed assets	5	-	-	-	33,464
Total incoming resources		<u>181,260</u>	<u>3,427</u>	<u>184,687</u>	<u>1,080,859</u>
 Resources expended					
Cost of generating funds	6	269,900	32,997	302,897	800,580
Charitable activities	7	27,756	250	28,006	87,478
Governance costs	8	12,955	-	12,955	34,101
Total resources expended		<u>310,611</u>	<u>33,247</u>	<u>343,858</u>	<u>922,159</u>
 Net (outgoing)/incoming resources before transfers		(129,351)	(29,820)	(159,171)	158,700
Gross transfers between funds		-	-	-	-
Net movement in funds		<u>(129,351)</u>	<u>(29,820)</u>	<u>(159,171)</u>	<u>158,700</u>
 Total funds brought forward		914,897	581,457	1,496,354	1,337,654
Total funds carried forward		<u>785,546</u>	<u>551,637</u>	<u>1,337,183</u>	<u>1,496,354</u>

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

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

The annexed notes form part of these financial statements.

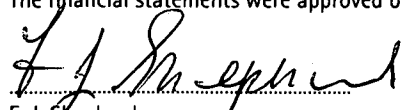
EAST DURHAM PARTNERSHIP LIMITED

BALANCE SHEET AS AT 31 JULY 2016

	Note	£	2016 £	2015 £
Fixed assets				
Tangible assets	11		630,009	651,882
Current assets				
Stocks		4,953	-	
Debtors	12	20,239	182,420	
Cash at bank and in hand		706,163	812,518	
		<u>731,355</u>	<u>994,938</u>	
Creditors				
Amounts falling due within one year	13	(24,181)	(150,466)	
Net current assets			<u>707,174</u>	<u>844,472</u>
Total assets less current liabilities			<u>1,337,183</u>	<u>1,496,354</u>
Net assets			<u>1,337,183</u>	<u>1,496,354</u>
The funds of the charity:				
Unrestricted income funds	15		785,546	914,897
Restricted income funds	15		551,637	581,457
Total charity funds	15		<u>1,337,183</u>	<u>1,496,354</u>

The financial statements have been prepared in accordance with the provisions applicable to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements were approved by the trustees on 11/2/2017 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 2016

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The effect of events in relation to the year ended 31 July 2016 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 2016 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 goods for resale are recognised in the period in which they are sold. A stock of donated goods for resale is also held but not recognised on the balance sheet, on the basis that valuation of the donated goods is not possible at the time of receipt.

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 2016 (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
Buildings improvements	-4% 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 2016 (continued..)

2. Donations

	Unrestricted £	Restricted £	Total 2016 £	Total 2015 £
Sundry donations and income	-	250	250	-
Big Lottery Fund	-	-	-	75,168
County Durham Community Foundation	-	-	-	2,245
Department for Work and Pensions	-	-	-	3,150
Durham County Council	-	3,177	3,177	-
Derwentside Homes	-	-	-	26,250
	<u>-</u>	<u>3,427</u>	<u>3,427</u>	<u>106,813</u>

All of the income for the year ended 31 July 2015 included in the above note was restricted.

3. Charitable activities

	2016 Unrestricted Funds £	2015 Unrestricted Funds £
Provision of management and educational services	102,266	779,808
Furniture and White Goods Sales	33,586	86,270
Rental income and room hire	25,450	44,200
Recharged staff costs	3,025	16,095
Equipment hire	2,500	5,250
Café Sales	4,330	-
Sale of fabrics etc	5,397	6,077
	<u>176,554</u>	<u>937,700</u>

Principal funding sources	Category	2016 £	2015 £
New College Durham	Education	87,278	742,976
Sales to individuals	Furniture and sale of fabrics	37,070	6,215
Learn direct – Kaplan	Education	14,988	34,706
Sale of stock to Enterprise Durham Partnership Limited	Furniture	-	87,669
Enterprise Durham Partnership Limited	Rental income, recharged staff costs, equipment hire	30,036	60,545
		<u>169,372</u>	<u>932,111</u>
Other		7,182	5,589
		<u>176,554</u>	<u>937,700</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016 (continued..)

4. Investment income

	2016 £	2015 £
Bank interest	4,706	2,882

5. Other incoming resources

	2016 £	2015 £
Profit on sale of tangible fixed assets	-	15,963
Profit on sale of goodwill and intellectual property	-	17,501
	-	33,464

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

6. Cost of generating funds

		Furniture Including Up-cycling £	Café Fabrics & provision of education £	Rental and other income £	2016 £	2015 £
Direct costs						
Furniture, white goods and fabrics - cost of goods sold		4,583	2,512	-	7,095	53,341
Wages - staff		54,694	44,679	2,000	101,373	57,646
Work wear and consumables		201	247	-	448	-
Training and accreditation		-	7,389	-	7,389	16,270
Course delivery		-	8,278	-	8,278	472,143
Fixed asset costs		12,232	7,587	4,719	24,538	22,736
Rent		-	69	-	69	750
Other running costs		-	1,295	-	1,295	-
Motor and travelling expenses		2,211	2,382	-	4,593	7,037
		73,921	74,438	6,719	155,078	629,923
Support costs	Basis					
Wages - staff	Time	56,564	61,207	356	118,127	145,896
Premises costs	Usage	4,086	-	4,086	8,172	4,921
Bank charges	Usage	300	300	-	600	180
Professional fees	Time	-	6,904	-	6,904	8,828
Fixed asset costs	Usage	3,039	3,040	-	6,079	3,931
Insurance	Risk	2,094	698	698	3,490	4,158
Communications, computer and printing	Usage	970	1,681	-	2,651	2,557
Other	Usage	986	810	-	1,796	186
		68,039	74,640	5,140	147,819	170,657
Total		141,960	149,078	11,859	302,897	800,580
Year ended 31 July 2015		164,965	602,072	33,543	800,580	

Of the £302,897 expenditure shown above £269,900 (2015 - £668,613) was charged to unrestricted funds and £32,997 (2015 - £131,967) was charged to restricted funds.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016 (continued..)

6. Cost of generating funds (continued..)

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.

7. Analysis of expenditure on charitable activities

	2016 £	2015 £
Grants		
Grants to organisations	6,049	87,239
Grants to individuals	-	239
Total grants	6,049	87,478

Of the expenditure above, £5,799 (2015 - £87,478) was charged to unrestricted funds and £250 (2015 - £Nil) was charged to restricted funds.

	2016 £	2015 £
Other		
Direct costs		
Wages - staff	7,029	-
Wages - beneficiaries	13,304	-
Project materials	1,315	-
Other running costs	309	-
Total other resources expended on charitable activities	21,957	-

	2016 £	2015 £
Total resources expended on charitable activities	28,006	87,478

8. Governance costs

	2016 Unrestricted funds £	2015 Unrestricted funds £
Staff costs	4,470	16,632
Premises and insurance costs	864	2,262
Motor and travel	67	320
Communications, computer and printing	82	138
Audit	-	4,850
Accountancy	820	701
Fixed asset costs	425	540
Bank charges	150	40
Consultancy and legal costs	6,065	8,597
Other sundry costs	12	21
	12,955	34,101

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016 (continued..)

9. Net movement in funds for the period	2016 £	2015 £
This is stated after charging/(crediting)		
Payment in lieu of notice and redundancy	8,846	92,288
(Profit) loss on disposal of fixed assets	-	(14,750)
Depreciation	31,041	32,453
Auditors' remuneration – audit services	-	4,850
– non audit services	-	771
	<u> </u>	<u> </u>

10. Staff costs

	2016 £	2015 £
Staff costs were as follows:		
Salaries and wages	199,314	230,589
Social security costs	10,109	15,663
Pension costs	34,880	35,434
	<u>244,303</u>	<u>281,686</u>

Included within the above are redundancy payments totalling £8,846 (2015 – £92,288).

The average weekly number of employees during the period, based on head count, was as follows:

	2016 £	2015 £
Beneficiaries	3	-
Project work and activities for generating funds	8	5
Administration and support	6	4
Directors	4	4
	<u>21</u>	<u>13</u>

	2016 £	2015 £
Number of employees whose emoluments exceeded £60,000	-	1
This comprises:		
Within the range of £90,000 – £100,000	-	-
Within the range of £110,000 – £120,000	-	1
	<u> </u>	<u> </u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016 (continued..)

11. Tangible fixed assets

	Land and buildings £	Computers £	Fixtures and equipment £	Motor vehicles £	Total £
Cost					
At start of period	728,620	54,671	50,028	34,970	868,289
Additions	7,551	1,288	329	-	9,168
Disposals	-	-	-	-	-
At end of period	736,171	55,959	50,357	34,970	877,457
Depreciation					
At start of period	120,006	44,004	42,718	9,679	216,407
Charge for period	18,063	4,739	1,916	6,323	31,041
Disposals	-	-	-	-	-
At end of period	138,069	48,743	44,634	16,002	247,448
Net book value					
At 31 July 2016	598,102	7,216	5,723	18,968	630,009
At 31 July 2015	608,614	10,667	7,310	25,291	651,882

12. Debtors

	2016 £	2015 £
Trade debtors	742	5,289
Prepayments and accrued income	17,923	176,823
Other debtors	1,574	308
	20,239	182,420

13. Creditors

	2016 £	2015 £
Amounts falling due within one year		
Trade creditors	12,157	4,889
Accruals	3,117	125,328
Tax and social security	5,434	18,987
Other creditors	3,473	1,262
	24,181	150,466

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016 (continued..)

14. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	78,372	551,637	630,009
Current assets	731,355	-	731,355
Creditors: amounts falling due within one year	(24,181)	-	(24,181)
Creditors: amounts falling due after more than one year	-	-	-
	<u>785,546</u>	<u>551,637</u>	<u>1,337,183</u>

15. Movements in funds

	As at 1 August 2015 £	Incoming resources £	Outgoing resources £	Transfer between funds £	As at 31 July 2016 £
Restricted funds					
Building and reuse initiative	566,334	-	(14,697)	-	551,637
Big Lottery Fund	15,123	-	(15,123)	-	-
Thirteen Group – Community activities support	-	250	(250)	-	-
Durham County Council – CREE Project	-	3,177	(3,177)	-	-
Total restricted funds	<u>581,457</u>	<u>3,427</u>	<u>(33,247)</u>	<u>-</u>	<u>551,637</u>
Unrestricted funds					
General funds	914,897	181,260	(310,611)	-	785,546
Total unrestricted funds	<u>914,897</u>	<u>181,260</u>	<u>(310,611)</u>	<u>-</u>	<u>785,546</u>
Total funds	<u>1,496,354</u>	<u>184,687</u>	<u>(343,858)</u>	<u>-</u>	<u>1,337,183</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 2016 (continued..)

15. Movements in funds (continued..)

Durham County Council – CREE Project

The CREE project is a small grant provided by Durham County Council which contributes to running a CREE project (activities for groups of residents suffering from emotional/mental health issues). The grant covers staff costs, room rental and resources. In 2015/16 we recruited 8 young people aged between 13 and 16 years old who were involved in craft activities and up-cycling furniture (approximately £3,000 in the year).

Thirteen Group – Community Activities Support

This is a small grant of £250 provided by Thirteen Housing Group for craft activities for tenants of Thirteen Group Housing, in East Durham.

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 also 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 (2015: £Nil).

19. Trustee expenses and remuneration

No expenses incurred by trustees were reimbursed during the period, and no remuneration was paid (2015: £Nil).

20. Controlling party

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

21. Related parties

Mrs. M Shepherd, a person connected with Mr. F.J. Shepherd, trustee, was paid £19,988 (2015: £41,130) 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