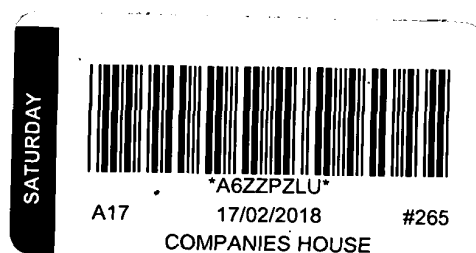


**EAST DURHAM PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2017**



**COMPANY NO. 03055620**

**REGISTERED CHARITY NO. 1090261**

## **EAST DURHAM PARTNERSHIP LIMITED**

### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 LEGAL AND ADMINISTRATIVE INFORMATION**

#### **Current trustees and directors**

K. Hawkridge-Smith (Chair, company director)  
F.J. Shepherd (company director)  
M. McNichol (company director)  
J.T. McLoughlin (company director)  
S. Fulcher (company director) (resigned 31/8/16)

#### **Chief Executive Officer**

E. Foxton

#### **Registered charity number**

1090261

#### **Company registration number**

03055620

#### **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 2017**

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## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2017**

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the financial statements for the year ended 31 July 2017.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 (as amended by Update Bulletin 1 published on 2 February 2016).

#### **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.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2017**

#### **Trustees and directors**

The following people served during the period:

K. Hawkrigde-Smith (Chair, company director)  
F.J. Shepherd (Secretary, company director)  
M.J. McNichol (company director)  
J.T. McLoughlin (company director)  
S. Fulcher (company director) (resigned 31 August 2016)

#### **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.

#### **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 retained Matrix and ISO accreditation in 2016-17 demonstrating the high level of importance placed on the provision of quality 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 in line with ISO procedures.

#### **Related parties**

Mrs. M Shepherd, a person connected with Mr. F.J. Shepherd, trustee, was employed by the company until June 30<sup>th</sup> 2017.

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.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2017**

#### **Objectives and activities**

The objectives of the company are to promote within the UK any charitable purpose 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.

#### **Strategic report**

##### ***Achievements and performance***

The company endeavours to achieve its aims for the public benefit by maximising its reuse activities and undertaking Local community projects (typically those supporting people with mental health issues/dementia). The reuse facility provides employment for 15 staff 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.

2016/17 was a year of consolidation. Furniture contracts remain steady but funded training projects have ceased and training accommodation is now being promoted to let. A new focus is the provision of a number of community projects which support local people with mental health issues or high levels of financial disadvantage. An external business review completed in June/July 2017 resulted in a number of recommendations, implemented by July 31<sup>st</sup>. Others (website upgrade, introduction of a new marketing strategy) will be implemented in the next financial year.

#### **Financial review**

##### **Results**

Incoming resources increased by over 350% from £184,687 in 2016 to £661,645 in 2017, as the company expanded its delivery of furniture contracts during the year.

Overall funds decreased by £215,765 in the year compared with a decrease in funds of £159,171 in the previous year.

The company retained key staff during the year. The maintenance of its furniture and staff presence at its property in Horden, Peterlee is considered fundamental to the operations of the Charity and its public image.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2017**

#### **Principal funding sources**

The main source of income derives from furniture 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 £359,715 was held in an interest bearing account with Lloyds TSB at the balance sheet date.

#### **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 twelve months operational and salaries costs 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. An external business review undertaken May –July 2017 will inform strategic and financial plans for the short to mid term future. The Trustees have identified the extension of the café and acquisition of "dementia friendly" status for the Charity as a priority alongside updating the IT network.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2017**

#### **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 (FRS 102);
- 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.



**EAST DURHAM PARTNERSHIP LIMITED**

**REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR  
THE YEAR ENDED 31 JULY 2017**

**Statement of disclosure to Independent Examiner**

In so far as the trustees are aware:

- there is no relevant information of which the charitable company's independent examiner is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the trustees on 7.2.18 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 2017 which are set out on pages 6 to 18.

#### **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, in accordance with the requirements of the Companies Act 2006.. 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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.

**EAST DURHAM PARTNERSHIP LIMITED**

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

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

Date: 13 February 2018

**EAST DURHAM PARTNERSHIP LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 JULY 2017**

	Note	Unrestricted	Restricted	Total Funds 2016	Total Funds 2017
		£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary Income					
Donations	2	50	3,307	3,357	3,427
Investment income	4	2,275	-	2,275	4,706
Incoming resources from charitable activities:					
Education	3	47,216	-	47,216	102,266
Furniture and white goods	3	594,317	-	594,317	33,586
Other	3	14,480	-	14,480	40,702
<b>Total incoming resources</b>		<u>658,338</u>	<u>3,307</u>	<u>661,645</u>	<u>184,687</u>
<b>Resources expended</b>					
Cost of generating funds	5	822,132	14,639	836,771	302,897
Charitable activities	6	14,196	3,307	17,503	28,006
Governance costs	7	23,136	-	23,136	12,955
<b>Total resources expended</b>		<u>859,464</u>	<u>17,946</u>	<u>877,410</u>	<u>343,858</u>
<b>Net (outgoing)/incoming resources before transfers</b>		<u>(201,126)</u>	<u>(14,639)</u>	<u>(215,765)</u>	<u>(159,171)</u>
Gross transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<u>(201,126)</u>	<u>(14,639)</u>	<u>(215,765)</u>	<u>(159,171)</u>
<b>Total funds brought forward</b>		<u>785,546</u>	<u>551,637</u>	<u>1,337,183</u>	<u>1,496,354</u>
<b>Total funds carried forward</b>		<u>584,420</u>	<u>536,998</u>	<u>1,121,418</u>	<u>1,337,183</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 2017**

	Note	£	2017 £	2016 £
<b>Fixed assets</b>				
Tangible assets	10		627,575	630,009
<b>Current assets</b>				
Stocks		36,077		4,953
Debtors	11	29,347		20,239
Cash at bank and in hand		459,674		706,163
		<u>525,098</u>		<u>731,355</u>
<b>Creditors</b>				
Amounts falling due within one year	12	(31,255)		(24,181)
		<u></u>		<u></u>
<b>Net current assets</b>			493,843	707,174
<b>Total assets less current liabilities</b>			<u>1,121,418</u>	<u>1,337,183</u>
<b>Net assets</b>			<u>1,121,418</u>	<u>1,337,183</u>
<b>The funds of the charity:</b>				
<b>Unrestricted income funds</b>	14		584,420	785,546
<b>Restricted income funds</b>	14		536,998	551,637
			<u></u>	<u></u>
<b>Total charity funds</b>	14		<u>1,121,418</u>	<u>1,337,183</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 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The responsibilities for ensuring that the charity 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 year and of its incoming resources and application of resources, including its income and expenditure, for the financial year 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.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard 102 (as amended for accounting periods commencing from 1 January 2016).

**EAST DURHAM PARTNERSHIP LIMITED**

**BALANCE SHEET AS AT 31 JULY 2017 (continued...)**

The financial statements were approved and authorised for issue by the Board of Trustees on  
7.2.18..... and 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**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flow from operating activities</b>	21	(218,761)	(101,893)
Interest paid		-	-
<b>Net cash flow from operating activities</b>		<u>(218,761)</u>	<u>(101,893)</u>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(46,703)	(9,168)
Receipts from sales of tangible fixed assets		16,700	-
Interest received		2,275	4,706
<b>Net cash flow from investing activities</b>		<u>(27,728)</u>	<u>(4,462)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
<b>Cash and cash equivalents at start of year</b>		706,163	812,518
<b>Cash and cash equivalents at end of year</b>		<u>459,674</u>	<u>706,163</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		99,959	48,406
Short term deposits		359,715	657,757
<b>Cash and cash equivalents at end of year</b>		<u>459,674</u>	<u>706,163</u>

## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017**

#### **1. Accounting policies**

##### **Basis of preparation of financial statements**

East Durham Partnership is a charitable company registered in England and Wales. The address of the registered office is 1 Kilburn Drive, Seaview Industrial Estate, Horden, Peterlee, Co Durham, SR8 4TQ. The charity constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with; 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 (FRS 102) (as amended for accounting periods commencing from 1 January 2016) and UK GAAP.

These accounts for the year ended 31 July 2017 and the first accounts of East Durham Partnership Limited prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 2017 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 2017 and of the results for the year ended on that date.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

##### **Company status**

The charity is a company limited by guarantee. The members of the company are the trustees named 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.



## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued...)**

#### **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 2017 (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.

#### **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.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

### **2. Donations**

	<b>Total Unrestricted £</b>	<b>Total Restricted £</b>	<b>2017 £</b>	<b>2016 £</b>
Donations	50	-	50	-
Thirteen Group	-	-	-	250
Durham County Council	-	3,307	3,307	3,177
	<u>50</u>	<u>3,307</u>	<u>3,357</u>	<u>3,427</u>

### **3. Charitable activities**

	<b>2017 Unrestricted Funds £</b>	<b>2016 Unrestricted Funds £</b>
Provision of management and educational services	47,216	102,266
Furniture and White Goods Sales	594,317	33,586
Rental income and room hire	2,992	25,450
Recharged staff costs	-	3,025
Equipment hire	-	2,500
Café Sales	9,322	4,330
Sale of fabrics etc	2,166	5,397
	<u>656,013</u>	<u>176,554</u>

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
<b>Principal funding sources</b>	<b>Category</b>		
New College Durham	Education	48,598	87,278
Sales to individuals	Furniture and sale of fabrics	167,236	37,070
Greggs voucher scheme	Furniture	91,898	-
Learn direct – Kaplan	Education	-	14,988
Enterprise Durham Partnership Limited	Rental income, recharged staff costs, equipment hire		-30,036
Enterprise Durham Partnership Limited	Furniture	112,271	
Durham County Council	Furniture	98,284	-
Hartlepool Borough Council	Furniture	90,270	-
Holistic Temporary Accommodation and Support Service	Furniture	31,301	-
		<u>639,858</u>	<u>169,372</u>
Other		16,155	7,182
		<u>656,013</u>	<u>176,554</u>

**4. Investment income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank interest	2,275	4,706
	<u>2,275</u>	<u>4,706</u>

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

### **5. Cost of generating funds**

		<b>Furniture Including Up-cycling £</b>	<b>Café, fabrics &amp; provision of education £</b>	<b>Rental and other income £</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Direct costs</b>						
Furniture, white goods and fabrics		375,512	4,088	-	379,600	7,095
Wages – staff		114,206	35,982	-	150,188	101,373
Work wear and consumables		749	-	-	749	448
Training and accreditation		-	4,488	-	4,488	7,389
Course delivery		-	400	-	400	8,278
Fixed asset costs		23,971	3,327	-	27,298	24,538
Net profit on disposal of assets		(940)	-	-	(940)	-
Rent		-	3,430	-	3,430	69
Other running costs		16,207	4,923	-	21,130	1,295
Motor and travelling expenses		15,208	-	-	15,208	4,593
		<u>544,913</u>	<u>56,638</u>	<u>-</u>	<u>601,551</u>	<u>155,078</u>
<b>Support costs</b>	<b>Basis</b>					
Wages – staff	Time	176,427	9,572	-	185,999	118,127
Premises costs	Usage	17,280	934	-	18,214	8,172
Bank charges	Usage	1,647	94	-	1,741	600
Professional fees	Time	4,365	485	-	4,850	6,904
Fixed asset costs	Usage	5,633	296	-	5,929	6,079
Insurance	Risk	8,762	974	-	9,736	3,490
Communications, computer and printing	Usage	5,651	305	-	5,956	2,651
Other	Usage	2,655	140	-	2,795	1,796
		<u>222,420</u>	<u>12,800</u>	<u>-</u>	<u>235,220</u>	<u>147,819</u>
<b>Total</b>		<u>767,333</u>	<u>69,438</u>	<u>-</u>	<u>836,771</u>	<u>302,897</u>
<b>Year ended 31 July 2016</b>		<u>141,960</u>	<u>149,078</u>	<u>11,859</u>	<u>302,897</u>	

## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

#### **5. Cost of generating funds (continued...)**

Of the £836,771 expenditure shown above £822,132 (2016 - £269,900) was charged to unrestricted funds and £14,639 (2016 - £32,997) was charged to restricted funds.

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.

#### **6. Analysis of expenditure on charitable activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Grants</b>		
Grants to organisations	180	6,049
Grants to individuals	-	-
<b>Total grants</b>	<u>180</u>	<u>6,049</u>

Of the expenditure above, £180 (2016 – £5,799) was charged to unrestricted funds and £nil (2016 - £250) was charged to restricted funds.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Other</b>		
<b>Direct costs</b>		
Wages – staff	11,931	7,029
Wages – beneficiaries	5,315	13,304
Project materials	67	1,315
Other running costs	10	309
<b>Total other resources expended on charitable activities</b>	<u>17,323</u>	<u>21,957</u>

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Total resources expended on charitable activities</b>	<u>17,503</u>	<u>28,006</u>

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

**7. Governance costs**

	2017 Unrestricted funds £	2016 Unrestricted funds £
Staff costs	5,443	4,470
Premises and insurance costs	1,302	864
Motor and travel	-	67
Communications, computer and printing	153	82
Audit	-	-
Accountancy	4,202	820
Fixed asset costs	151	425
Bank charges	141	150
Consultancy and legal costs	11,737	6,065
Other sundry costs	7	12
	<u>23,136</u>	<u>12,955</u>

**8. Net movement in funds for the period**

	2017 £	2016 £
This is stated after charging/(crediting)		
Payment in lieu of notice and redundancy	10,000	8,846
(Profit)/ loss on disposal of fixed assets	(940)	-
Depreciation	33,378	31,041
Independent Examiners Fees	2,950	2,950
	<u>42,388</u>	<u>42,837</u>

**9. Staff costs**

	2017 £	2016 £
Staff costs were as follows:		
Salaries and wages	303,964	199,314
Social security costs	19,453	10,109
Pension costs	35,459	34,880
	<u>358,876</u>	<u>244,303</u>

Included within the above are redundancy payments totalling £10,000 (2016 – £8,846).

**EAST DURHAM PARTNERSHIP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)****9. Staff costs continued...**

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

	2017	2016
Beneficiaries	4	3
Project work and activities for generating funds	9	8
Administration and support	7	6
Directors	4	4
	<u>24</u>	<u>21</u>

	2017	2016
Number of employees whose emoluments exceeded £60,000	1	-
This comprises:		
Within the range of £70,000 - £80,000	1	-

**Key management personnel**

The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charity was £77,608 (2016: 59,601).



**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

**10. Tangible fixed assets**

	Land and buildings £	Computers £	Fixtures and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At start of period	736,171	55,959	50,357	34,970	877,457
Additions	-	984	3,526	42,193	46,703
Disposals	-	-	(4,894)	(29,990)	(34,884)
At end of period	<u>736,171</u>	<u>56,943</u>	<u>48,989</u>	<u>47,173</u>	<u>889,276</u>
<b>Depreciation</b>					
At start of period	138,069	48,743	44,634	16,002	247,448
Charge for period	18,062	3,017	2,112	10,187	33,378
Disposals	-	-	(4,448)	(14,677)	(19,125)
At end of period	<u>156,131</u>	<u>51,760</u>	<u>42,298</u>	<u>11,512</u>	<u>261,701</u>
<b>Net book value</b>					
At 31 July 2017	<u>580,040</u>	<u>5,183</u>	<u>6,691</u>	<u>35,661</u>	<u>627,575</u>
At 31 July 2016	<u>598,102</u>	<u>7,216</u>	<u>5,723</u>	<u>18,968</u>	<u>630,009</u>

**11. Debtors**

	2017 £	2016 £
Trade debtors	27,784	742
Prepayments and accrued income	1,563	17,923
Other debtors	-	1,574
	<u>29,347</u>	<u>20,239</u>

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

**12. Creditors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	8,650	12,157
Accruals	4,405	3,117
Tax and social security	15,244	5,434
Other creditors	2,956	3,473
	<u>31,255</u>	<u>24,181</u>

**13. Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	90,577	536,998	627,575
Current assets	525,098	-	525,098
Creditors: amounts falling due within one year	(31,255)	-	(31,255)
Creditors: amounts falling due after more than one year	-	-	-
	<u>584,420</u>	<u>536,998</u>	<u>1,121,418</u>

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

### **14. Movements in funds**

	As at 1 August 2016 £	Incoming resources £	Outgoing resources £	Transfer between funds £	As at 31 July 2017 £
<b>Restricted funds</b>					
Building and reuse initiative	551,637	-	(14,639)	-	536,998
Durham County Council - CREE Project	-	3,307	(3,307)	-	-
<b>Total restricted funds</b>	<u>551,637</u>	<u>3,307</u>	<u>(17,946)</u>	<u>-</u>	<u>536,998</u>
<b>Unrestricted funds</b>					
General funds	785,546	658,338	(859,464)	-	584,420
<b>Total unrestricted funds</b>	<u>785,546</u>	<u>658,338</u>	<u>(859,464)</u>	<u>-</u>	<u>584,420</u>
<b>Total funds</b>	<u>1,337,183</u>	<u>661,645</u>	<u>(877,410)</u>	<u>-</u>	<u>1,121,418</u>

### **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.

### **Durham County Council – CREE Project**

The Cree grant for 2016-17 provided opportunities for a cohort of work placements for all age ranges affected by emotional/mental health issues (rather than young people craft activities in earlier projects). Funds were spent on resources and supervision of the work placement participants.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)**

#### **15. 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.

#### **16. 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.

#### **17. Capital commitments**

At the balance sheet date the company had no capital commitments (2016: £Nil).

#### **18. Trustee expenses and remuneration**

No expenses incurred by trustees were reimbursed during the period, and no remuneration was paid (2016: £Nil).

#### **19. Controlling party**

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

#### **20. Related parties**

Mrs. M Shepherd, a person connected with Mr. F.J. Shepherd, trustee, was paid £31,610, of which £10,000 related to redundancy, (2016: £19,988) 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.

**EAST DURHAM PARTNERSHIP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017 (continued..)****21. Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for year	(215,765)	(159,171)
Interest receivable	(2,275)	(4,706)
Depreciation and impairment of tangible fixed assets	33,378	31,041
(Profit) / loss on disposal of tangible fixed assets	(941)	-
(Increase) / decrease in stock	(31,124)	(4,953)
(Increase) / decrease in debtors	(9,108)	162,181
Increase / (decrease) in creditors	7,704	(126,285)
	<u>(218,761)</u>	<u>(101,893)</u>