

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

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2014**

**COMPANY NUMBER 03055620**

**REGISTERED CHARITY NUMBER 1090261**



## **EAST DURHAM PARTNERSHIP LIMITED**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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

K Hawkrige-Smith (Chair, company director)

F J Shepherd (Secretary, company director)

M McNichol (company director)

J T McLoughlin (company director)

P F Burton (company director)

#### **Company Secretary**

F Shepherd

#### **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

10 Evolution

Wynyard Park

Wynyard

TS22 5TB

#### **Bankers**

Lloyds TSB Bank plc

**EAST DURHAM PARTNERSHIP LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014**

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## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2014**

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 2014.

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. Under those Articles, one third of the trustees shall retire and be subject to re-election.

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 trustees served during the period:

K Hawkrigge-Smith (Chair, company director)

F J Shepherd (Secretary, company director)

D Maddison (Deputy chair, company director) - resigned 29 January 2014

M J McNichol (company director)

J T McLoughlin (company director)

J W McNay (company director) - appointed 23 April 2014 and resigned 10 October 2014

P F Burton (company director) - appointed 23 April 2014

##### Organisational structure

The organisational structure consists of a Chief Executive Officer, E Foxton, and a team of Heads of Department with delegated responsibility each of whom is in charge of a specific area of business. The management team meet regularly and report back to the trustees who retain ultimate power for making decisions. Each Head of Department is accountable for the leadership of several members of staff in their area of responsibility. The part time 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 2014

#### 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. 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 throughout the accounting period.

M Shepherd, a person connected with F J Shepherd, trustee, was paid £24,825 (2013: £22,608) by the company during the period.

J T 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 and income levels from these sources increased 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, an example being an apprenticeship care and repair project undertaken in collaboration with Accent RCP. The company also collaborated with Derwentside Homes working in collaboration with East Durham Homes to deliver community care and repair projects.

The company has continued to develop its enterprises relating to furniture reuse and the repair and reuse of domestic appliances. It continues to offer the reuse and repair for sale of large domestic appliances thus addressing, disadvantage, poverty and job creation in the District of Easington. The company also collaborates with national distribution companies to purchase end of line goods at discount prices in order to address individual customer preferences.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2014**

Income from the sale of furniture and white goods increased during the year from £508,910 to £594,519.

Activities for generating funds increased to £1,495,900 (2013: £1,133,228). The cost of generating these funds was £1,206,706 (2013: £1,053,007).

The work of the charity enabled 224 (2013: 180) beneficiaries to gain work experience and employment during the year. 182 (2013:149) beneficiaries were employed by the company, representing 49 (2013: 37) full time equivalents, and 20 (2013: 41) full time equivalent posts were obtained outside the charity.

#### **Financial review**

##### Results

Net incoming resources for the period amounted to £171,640 (2013: £80,881). Total funds at 31 July 2014 amounted to £1,287,300, of which £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 sources of funding for activities in furtherance of the charities objects were the Coalfields Regeneration Trust, the Big Lottery Fund, and the Henry Smith Charity with further contributions from Durham County Council and County Durham Community Foundation.

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 £200k 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 job creation. The contracted work with New College Durham and the relationships developed across the County with the Work Programme undertaken during the year enabled the company to provide job opportunities and work experience for 150 members of the community, and the medium term aim is to at least maintain this level of assistance subject to resources and support funding being available. 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 offer new contracts as they arise will ensure the company'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 2014

The collaborative initiative to supply furniture to the "Store" project working with Prince Bishops Community Bank is under review as a National online company is now working to provide services. The company considers that it could not offer national provision but as an alternative it is in discussions with Hartlepool Credit Union to provide furniture items through partnerships with some of HCLs East Coast Housing Association collaborations.

#### 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

24/2/15

and is signed on their behalf by:

Director

F J Shepherd



## **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 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's 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 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



**EAST DURHAM PARTNERSHIP LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST DURHAM PARTNERSHIP LIMITED**

**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.

*Graden*

Date: *4 March 2015*

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**Evolution Business and Tax Advisors LLP**

**Statutory Auditor**

10 Evolution

Wynyard Park

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 2014**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Grants and donations	2	193	139,830	140,023	164,129
Activities for generating funds	3	1,495,900	-	1,495,900	1,133,228
Investment income		1,017	-	1,017	857
<b>Incoming resources from charitable activities</b>					
		-	-	-	-
<b>Other incoming resources</b>					
		50,354	-	50,354	-
<b>Total incoming resources</b>	4	<u>1,547,464</u>	<u>139,830</u>	<u>1,687,294</u>	<u>1,298,214</u>
<b>Resources expended</b>					
<i>Costs of generating funds</i>					
Fundraising trading: cost of goods and services	5	1,051,700	155,006	1,206,706	1,053,007
<i>Charitable expenditure</i>					
	6	212,112	2,739	214,851	112,039
<i>Governance costs</i>					
	7	43,341	402	43,743	52,287
<b>Total resources expended</b>		<u>1,307,153</u>	<u>158,147</u>	<u>1,465,300</u>	<u>1,217,333</u>
<b>Net (outgoing) incoming resources before transfers</b>		240,311	(18,317)	221,994	80,881
<b>Gross transfers between funds</b>		(23,223)	23,223	-	-
<b>Net movement in funds</b>		217,088	4,906	221,994	80,881
<b>Total funds brought forward</b>		515,369	600,291	1,115,660	1,034,779
<b>Total funds carried forward</b>		<u>732,457</u>	<u>605,197</u>	<u>1,337,654</u>	<u>1,115,660</u>

Movements in funds are disclosed in note 14 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 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	10	711,815	731,998
<b>Current assets</b>			
Stocks		69,743	15,000
Debtors	11	145,762	132,484
Cash at bank and in hand		<u>488,824</u>	<u>356,485</u>
		704,329	503,969
<b>Creditors</b>			
Amounts falling due within one year	12	<u>(78,492)</u>	<u>(120,307)</u>
<b>Net current assets</b>		<u>625,837</u>	<u>383,662</u>
<b>Total assets less current liabilities</b>		1,337,652	1,115,660
<b>Net assets</b>		<u>1,337,652</u>	<u>1,115,660</u>
<b>The funds of the charity:</b>			
Unrestricted income funds	14	732,457	515,369
Restricted income funds	14	605,197	600,291
<b>Total charity funds</b>	14	<u>1,337,654</u>	<u>1,115,660</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 2014, 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 24/2/15 and are signed on their behalf by:

  
 F J Shepherd  
 Director

The annexed notes form part of these financial statements.

COMPANY NUMBER 03055620

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

1. Accounting policies

**Basis of preparation**

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 the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005.

The effect of events in relation to the year ended 31 July 2014 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 2014 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).

**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.

**Depreciation**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

## 1. Accounting policies (continued)

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.

## 2. Grants donations and other income

	Unrestricted £	Restricted £	Total 2014 £	Total 2013 £
Cash				
Sundry donations and income	193	-	193	-
The Coalfields Regeneration Trust	-	-	-	24,034
Big Lottery Fund	-	58,298	58,298	56,598
The Henry Smith Charity	-	11,700	11,700	16,350
Esmee Fairbairn	-	35,000	35,000	-
County Durham Community Foundation	-	8,623	8,623	8,931
East Durham Business Service	-	-	-	1,300
Department for Work and Pensions	-	9,844	9,844	11,900
Shaw Trust	-	640	640	1,940
Durham County Council	-	725	725	18,882
Release of deferred income (Accent Group)	-	15,000	15,000	5,781
Total of cash grants, donations and other income	193	139,830	140,023	145,716
In kind				
Value of donated furniture and white goods sold during the period (see notes 5 and 6)	-	-	-	18,413
Total of all cash grants, donations and other income	193	139,830	140,023	164,129

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014**

**3. Incoming resources from activities for generating funds**

	2014 £	2013 £
Provision of management and educational services	823,903	622,263
Furniture and White Goods Sales	669,635	508,910
Scrap sales etc.	2,362	2,055
	<u>1,495,900</u>	<u>1,133,228</u>

Principal funding sources:	Category	2014 £	2013 £
New College Durham	Education	699,115	511,972
Sales to individuals	Furniture	335,089	273,432
Prince Bishop Homes and Derwentside SHED	Furniture and neighbourhood services	190,528	167,107
Learn direct - Kaplan	Education	110,571	100,132
Durham County Council	Furniture	64,958	-
Holistic Temporary Accommodation & Support Service	Furniture	38,593	52,130
		<u>1,438,854</u>	<u>1,104,773</u>
Other		57,046	28,455
		<u>1,495,900</u>	<u>1,133,228</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.

**4. Total incoming resources**

	2014 £	2013 £
Total	1,687,294	1,298,214
Less: In kind donations of furniture and white goods	-	(18,413)
Total incoming resources included in the Statement of Financial Activities	<u>1,687,294</u>	<u>1,279,801</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

5. Costs of generating funds

		Furniture and white goods	Provision of education	2014 £	2013 £
<b>Direct costs</b>					
Furniture and white goods purchases		359,978	-	359,978	295,686
Wages - staff		226,610	185,568	412,178	353,637
Work wear and consumables		5,700	-	5,700	7,264
Training and accreditation		2,430	21,874	24,304	66,573
Course delivery		-	56,549	56,549	12,880
Professional fees		35	-	35	314
Fixed asset costs		31,572	4,922	36,494	24,502
Rent		-	-	-	3,377
Other running costs		3,132	-	3,132	8,342
Motor and travelling expenses		31,990	732	32,722	39,959
		<u>661,447</u>	<u>269,645</u>	<u>931,092</u>	<u>812,534</u>
<b>Support costs</b>	<b>Basis</b>				
Wages - staff	Time	109,468	91,430	200,898	149,157
Premises costs	Usage	12,602	9,566	22,168	28,062
Bank charges	Usage	453	453	906	-
Professional fees	Time	3,024	3,024	6,048	2,282
Fixed asset costs	Usage	7,155	-	7,155	22,091
Insurance	Risk	5,821	5,821	11,642	10,622
Communications, computer and printing	Usage	4,522	15,892	20,414	24,338
Other	Usage	2,843	3,540	6,383	3,921
		<u>145,888</u>	<u>129,726</u>	<u>275,614</u>	<u>240,473</u>
<b>Total</b>		<u>807,335</u>	<u>399,371</u>	<u>1,206,706</u>	<u>1,053,007</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

## 6. Resources expended on charitable activities

Grants			2014 £	2013 £
Grants to organisations			-	1,050
Grants to individuals			-	-
Total grants			<u>-</u>	<u>1,050</u>
Other	Furniture and white goods £	Provision of education £	2014 £	2013 £
Direct costs				
Wages - beneficiaries	210,029	-	210,029	106,313
Other running costs	4,822	-	4,822	4,315
	<u>214,851</u>	<u>-</u>	<u>214,851</u>	<u>110,628</u>
Support costs	Basis			
Wages - staff	Time			
Insurance	Risk			
	-	-	-	-
	-	-	-	361
	<u>-</u>	<u>-</u>	<u>-</u>	<u>361</u>
Total other resources expended on charitable activities	<u>214,851</u>	<u>-</u>	<u>214,851</u>	<u>110,989</u>
			2014 £	2013 £
Total resources expended on charitable activities			<u>214,851</u>	<u>112,039</u>

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. Governance costs

	2014 £	2013 £
Staff costs	19,075	16,641
Premises and insurance costs	4,111	3,823
Motor and travel	934	797
Communications, computer and printing	1,031	745
Audit	7,200	7,200
Accountancy	10,369	21,826
Fixed asset costs	995	1,118
Bank charges	28	15
Consultancy and legal costs	-	-
Other sundry costs	-	122
	<u>43,743</u>	<u>52,287</u>

## 8. Movement in total funds for the period

	2014 £	2013 £
This is stated after charging/(crediting):		
(Profit) loss on disposal of fixed assets	(10,239)	1,141
Gain on write off of old creditor balance	(50,354)	-
Depreciation	44,328	46,573
Auditors' remuneration - audit services	7,200	7,200
- non audit services	12,859	23,826
	<u></u>	<u></u>



**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014**

**9. Staff costs**

	2014 £	2013 £
Staff costs were as follows:		
Salaries and wages	758,751	553,658
Social security costs	37,552	31,615
Pension costs	45,877	39,588
	<u>842,180</u>	<u>624,861</u>

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

	2014 No.	2013 No.
Beneficiaries	49	37
Project work and activities for generating funds	31	25
Administration and support	6	6
Directors	6	5
	<u>92</u>	<u>73</u>
	2014 No.	2013 No.
Number of employees whose emoluments exceeded £60,000	1	1
This comprises:		
Within the range of £80,000 - £90,000	-	1
Within the range of £90,000 - £100,000	<u>1</u>	<u>-</u>

**10. Tangible fixed assets**

	Land and buildings £	Computers £	Fixtures and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At start of period	728,620	51,364	64,738	83,253	927,975
Additions	-	-	9,306	34,971	44,277
Disposals	-	-	(7,327)	(31,046)	(38,373)
At end of period	<u>728,620</u>	<u>51,364</u>	<u>66,717</u>	<u>87,178</u>	<u>933,879</u>
<b>Depreciation</b>					
At start of period	88,714	29,202	48,214	29,847	195,977
Charge for period	15,646	8,864	5,279	14,541	44,330
Disposals	-	-	(5,133)	(13,110)	(18,243)
At end of period	<u>104,360</u>	<u>38,066</u>	<u>48,360</u>	<u>31,278</u>	<u>222,064</u>
<b>Net book value</b>					
At 31 July 2014	<u>624,260</u>	<u>13,298</u>	<u>18,357</u>	<u>55,900</u>	<u>711,815</u>
At 31 July 2013	<u>639,906</u>	<u>22,162</u>	<u>16,524</u>	<u>53,406</u>	<u>731,998</u>

**11. Debtors**

	2014 £	2013 £
Grants and project income receivable	139,231	119,897
Other debtors	6,531	12,587
	<u>145,762</u>	<u>132,484</u>

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014**

<b>12. Creditors</b>	<b>2014</b>	<b>2013</b>
<b>Amounts falling due within one year</b>	<b>£</b>	<b>£</b>
Project funding repayable or deferred	-	65,354
Activity expenditure payable	22,336	11,003
Tax and social security	35,806	18,700
Other creditors	20,350	25,250
	<u>78,492</u>	<u>120,307</u>

Project funding repayable or deferred comprises the following elements:

	<b>1 August</b>				<b>31 July</b>
	<b>2013</b>	<b>SOFA</b>	<b>Repaid</b>	<b>Movement</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grant contribution towards 2013/14 wages	15,000	(15,000)	-	-	-
VAT now claimed on expenditure previously grant funded	50,354	(50,354)	-	-	-
Other funding considered repayable	-	-	-	-	-
	<u>65,354</u>	<u>(65,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	131,715	580,100	711,815
Current assets	628,878	75,451	704,329
Creditors: amounts falling due within one year	(78,492)	-	(78,492)
	<u>682,101</u>	<u>655,551</u>	<u>1,337,652</u>

## **14. Movements in funds**

	<b>As at 1 August 2014</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfer between funds</b>	<b>As at 31 July 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>					
Building and recycling initiative	596,853	-	(16,753)	-	580,100
Big Lottery Fund	2,287	58,298	(57,415)	-	3,170
Henry Smith Charity	-	11,700	(15,700)	4,000	-
Esmee Fairbairn	-	35,000	(31,500)	-	3,500
County Durham Community Foundation	-	8,623	(14,609)	5,986	-
Department for Work and Pensions	-	9,844	-	-	9,844
Shaw Trust	1,151	640	(1,289)	-	502
Durham County Council	-	725	(13,962)	13,237	-
Accent Group	-	15,000	(6,919)	-	8,081
<b>Total restricted funds</b>	<u>600,291</u>	<u>139,830</u>	<u>(158,147)</u>	<u>23,223</u>	<u>605,197</u>
<b>Unrestricted funds</b>					
General funds	515,369	1,547,464	(1,307,153)	(23,223)	732,457
<b>Total unrestricted funds</b>	<u>515,369</u>	<u>1,547,464</u>	<u>(1,307,153)</u>	<u>(23,223)</u>	<u>732,457</u>
<b>Total funds</b>	<u>1,115,660</u>	<u>1,687,294</u>	<u>(1,465,300)</u>	<u>-</u>	<u>1,337,654</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

**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.

**Henry Smith Charity**

This purpose of this grant is to support the costs of the company's social enterprise activities by contributing to apprentice coordinator salary costs.

**County Durham Community Foundation**

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

**Durham County Council funding**

This funding relates to the employment costs of apprentices and the funding of a neighbourhood care scheme.

**Other funding**

Other funding towards the employment costs of apprentices and beneficiaries was received via the Shaw Trust, Department for Work and Pensions and East Durham Business Service.

**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**

In common with other companies limited by guarantee, the company may be required to pay £10 in the event of the winding up of its subsidiary, East Durham Partnership Enterprises Limited.

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 (2013: £-).

**18. Trustee expenses and remuneration**

No expenses incurred by trustees were reimbursed during the period, and no remuneration was paid (2013: £ - ).

## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014**

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

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

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

On 19 February 2008, the company formed a subsidiary undertaking, East Durham Partnership Enterprises Limited. The company remained dormant throughout the accounting period.

M Shepherd, a person connected with F J Shepherd, trustee, was paid £24,825 (2013: £22,608) by the company during the period through a contract of employment.

#### **21. Post balance sheet events**

On 1 August 2014, the charity transferred certain parts of its business and assets to Enterprise Durham Partnership Limited. The operations of East Durham Partnership Limited in the next accounting period will be significantly reduced.

#### **21. 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.