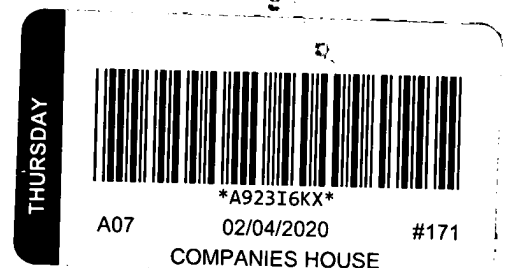


EAST DURHAM PARTNERSHIP LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

COMPANY NO. 03055620

REGISTERED CHARITY NO. 1090261



EAST DURHAM PARTNERSHIP LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

LEGAL AND ADMINISTRATIVE INFORMATION

Current trustees and directors

K. HawkrIDGE-Smith (Chair, company director)

M. McNichol (company director)

J.T. McLoughlin (company director)

B. Hart (company director)

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

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 2019

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EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2019

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 2019.

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.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2019 (continued..)

Current trustees have attended a formal training programme which will be continually updated. Trustees are kept abreast of current developments by means of Charities Commission bulletins.

Trustees and directors

The following people served during the period:

K. Hawkrigde-Smith (Chair, company director)
M. McNichol (company director)
J.T. McLoughlin (company director)
B. Hart (company director)
F.J. Shepherd (company director) (resigned 03/09/18)

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 oversees 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 with regard to financial audit and health and safety. 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 Charity has been re-accredited with the Matrix Quality standard demonstrating the high level of importance placed on the provision of quality programmes by the trustees and the management of associated risks. 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.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2019 (continued..)

Related parties

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 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 projects which support third and public sector agencies to provide household goods for disadvantaged residents and undertaking Local community projects (typically those supporting people with mental health issues/loneliness, isolation and dementia). The warehouse 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 warehouse projects offer work experience for the disadvantaged members of the community.

2018/19 was a year of further 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. A business review completed in June 2019 resulted in a number of recommendations, implemented by July 31st. A new retail outlet had been established in Peterlee town centre in July 2018. Its purpose was to generate more customer sales and refer clients to the warehouse at Horden as well as to promote the availability of low cost credit in collaboration with NE First Credit Union. As a result of low foot fall the shop closed in May 2019.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2019 (continued..)

Financial review

Results

Incoming resources increased by over 6% from £619,432 in 2018 to £657,962 in 2019. This was mainly due to an increase in the Greggs contract providing furniture and white goods.

Overall funds decreased by £100,174 in the year compared with a decrease in funds of £135,865 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.

The level of unrestricted reserves of £364,386 and the level of cash held at bank of £226,906 at 31 July 2019 are deemed to be sufficient to allow the charity to continue to operate for the a period of at least the next 12 months from the date of signing this report.

Principal funding sources

The main source of income derives from furniture contracts and the sale of furniture and white goods, with the addition of small grants and donations.

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 £102,513 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

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2019 (continued..)

include six months operational and salaries costs for existing members of staff. At the balance sheet date, this equates to approx. £130,000 which is more than covered by cash at bank. 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 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 organisational business review undertaken July 2019 will inform strategic and financial plans for the short to mid term future. The Trustees have identified further collaboration with the Credit union and provision of support for clients who are lonely or isolated as a priorities.

The current issue of the Coronavirus Covid 19 pandemic will effect the charity and it's future plans, although the financial effect is considered to be limited due to level of reserves and cash at bank held. Various measures are being introduced by the UK government on a daily basis to aid businesses, which the charity will take advantage of should the need occur. The premises from which the charity operates is owned by the charity, with the largest costs being wages and purchases of goods for resale/to fulfil contracts held. During this period purchases of goods will naturally reduce in line with demand and the government has announced measures to help businesses pay wages via a grant, although finer details are not yet available. Although the financial future is uncertain at this point, we are confident we have sufficient resources and plans in place to continue operating.

EAST DURHAM PARTNERSHIP LIMITED

REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2019 (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 (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 2019 (continued..)**

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 March 25th 2020 and is signed on their behalf by:



.....
K. Hawkrigge-Smith
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 2019 which are set out on pages 10 to 27.

Respective responsibilities of trustees and examiner

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants England & Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

EAST DURHAM PARTNERSHIP LIMITED

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Baldwins Audit Services

.....
Joanne Regan FCA
Baldwins Audit Services
Wynyard Park House
Wynyard Park
Wynyard
TS22 5TB

Date: *27 March 2020*

EAST DURHAM PARTNERSHIP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2019

	Note	Unrestricted	Restricted	Total Funds 2019	Total Funds 2018
		£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income					
Donations	2	-	28,610	28,610	17,000
Investment income	4	1,365	-	1,365	1,582
Incoming resources from charitable activities:					
Furniture and white goods	3	605,825	-	605,825	584,569
Other	3	22,162	-	22,162	16,281
Total incoming resources		629,352	28,610	657,962	619,432
Resources expended					
Cost of generating funds	5	704,680	13,941	718,621	724,732
Charitable activities	6	9,812	21,494	31,306	20,675
Governance costs	7	8,209	-	8,209	9,890
Total resources expended		722,701	35,435	758,136	755,297
Net (outgoing)/incoming resources before transfers		(93,349)	(6,825)	(100,174)	(135,865)
Gross transfers between funds		-	-	-	-
Net movement in funds		(93,349)	(6,825)	(100,174)	(135,865)
Total funds brought forward		457,735	527,818	985,533	1,121,418
Total funds carried forward		364,386	520,993	885,379	985,553

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 2019

			2019	2018
	Note	£	£	£
Fixed assets				
Tangible assets	10		575,994	602,642
Current assets				
Stocks		62,336		31,084
Debtors	11	34,753		39,467
Cash at bank and in hand		226,906		330,541
		<u>323,995</u>		<u>401,092</u>
Creditors				
Amounts falling due within one year 12		(14,610)		(18,181)
Net current assets		<u></u>	309,385	<u>382,911</u>
Total assets less current liabilities			<u>885,379</u>	<u>985,553</u>
Net assets			<u>885,379</u>	<u>985,553</u>
The funds of the charity:				
Unrestricted income funds	14		364,386	457,735
Restricted income funds	14		520,993	527,818
Total charity funds	14		<u>885,379</u>	<u>985,553</u>

The notes on pages 14 to 27 form part of the financial statements.

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 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

EAST DURHAM PARTNERSHIP LIMITED

BALANCE SHEET AS AT 31 JULY 2019 (continued..)

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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).

The financial statements were approved and authorised for issue by the Board of Trustees on March 25th 2020 and signed on their behalf by:



K.Hawkridge-Smith
Director

COMPANY NO. 03055620

REGISTERED CHARITY NO. 1090261

EAST DURHAM PARTNERSHIP LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Cash flow from operating activities	21	(105,125)	(124,199)
Interest paid		-	-
Net cash flow from operating activities		<u>(105,125)</u>	<u>(124,199)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(6,516)
Receipts from sales of tangible fixed assets		125	-
Interest received		1,365	1,582
Net cash flow from investing activities		<u>1,490</u>	<u>(4,934)</u>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at start of year		330,541	459,674
Cash and cash equivalents at end of year		<u>226,906</u>	<u>330,541</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		124,393	79,300
Short term deposits		102,513	251,241
Cash and cash equivalents at end of year		<u>226,906</u>	<u>330,541</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

1. Accounting policies

Basis of preparation of financial statements

East Durham Partnership Limited 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.

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 2019 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 2019 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 2019 (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 2019 (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.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

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.

The charity has also considered how the current issue of the Coronavirus Covid 19 pandemic will effect the charity and it's future plans and the financial effect is considered to be limited due to level of reserves and cash at bank held.

2. Donations

	Total Unrestricted £	Total Restricted £	2019 £	2018 £
People's Postcode Trust	-	20,000	20,000	-
Peterlee Town Council	-	610	610	-
County Durham Community Foundation (CDCF)	-	5,000	5,000	14,000
Durham County Council	-	3,000	3,000	3,000
	<u>-</u>	<u>28,610</u>	<u>28,610</u>	<u>17,000</u>

3. Charitable activities

	2019 Unrestricted Funds £	2018 Unrestricted Funds £
Furniture and White Goods Sales	605,825	584,569
Rental income and room hire	846	1,050
Loneliness and Isolation Project	10,674	4,537
Café Sales	8,298	9,560
Sale of fabrics etc	2,344	1,134
	<u>627,987</u>	<u>600,850</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

3. Charitable activities (continued...)

		2019	2018
		£	£
Principal funding sources	Category		
Sales to individuals	Furniture and sale of fabrics	146,319	140,997
Greggs voucher scheme	Furniture	101,700	109,379
Enterprise Durham Partnership Limited	Furniture	159,263	138,629
Durham County Council	Furniture	94,167	83,204
Hartlepool Borough Council	Furniture	29,406	36,362
Holistic Temporary Accommodation and Support Service	Furniture	67,937	65,165
		<u>598,792</u>	<u>573,736</u>
Other		29,195	27,114
		<u>627,987</u>	<u>600,850</u>

4. Investment income

	2019	2018
	£	£
Bank interest	1,365	1,582

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

5. Cost of generating funds

		Furniture Including Up-cycling £	Café, fabrics & provision of education £	2019 £	2018 £
Direct cost					
Furniture, white goods and fabrics		372,713	2,800	375,513	352,347
Wages – staff		115,508	16,771	132,279	137,290
Work wear and consumables		807	-	807	-
Training and accreditation		1,457	-	1,457	1,308
Course delivery		-	-	-	1,250
Equipment Hire		3,120	-	3,120	3,120
Fixed asset costs		20,666	802	21,468	24,830
Rent		6,619	-	6,619	722
Other running costs		16,809	-	16,809	16,425
Motor and travelling expenses		23,711	-	23,711	19,341
Bad debts		-	-	-	5,000
		<u>561,410</u>	<u>20,373</u>	<u>581,783</u>	<u>561,633</u>
Support costs	Basis				
Wages – staff	Time	92,235	4,986	97,221	108,879
Premises costs	Usage	12,550	678	13,228	14,145
Advertising	Usage	660	-	660	852
Bank charges	Usage	1,625	-	1,625	1,674
Professional fees	Time	2,975	-	2,975	12,952
Fixed asset costs	Usage	4,792	-	4,792	6,295
Insurance	Risk	9,338	491	9,829	9,743
Communications, computer and printing	Usage	5,607	-	5,607	6,261
Other	Usage	901	-	901	2,298
		<u>130,683</u>	<u>6,155</u>	<u>136,838</u>	<u>163,099</u>
Total		<u>692,093</u>	<u>26,528</u>	<u>718,621</u>	<u>724,732</u>
Year ended 31 July 2018		<u>699,205</u>	<u>25,527</u>		

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

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

Of the £718,621 expenditure shown above £704,680 (2018 - £706,660) was charged to unrestricted funds and £13,941 (2018 - £18,072) was charged to restricted fund.

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

	2019	2018
	£	£
Grants		
Grants to organisations	100	-
Total grants	<u>100</u>	<u>-</u>

Of the expenditure above, £100 (2018 – £nil) was charged to unrestricted funds and £nil (2018 - £nil) was charged to restricted funds.

The grant was made to Hope and Grace, a local CIC which supports the homeless and disadvantaged residents by collecting unwanted donated furniture, clothing, infant goods and household items for distribution free to eligible clients.

	2019	2018
	£	£
Other		
Direct costs		
Wages – staff	21,248	11,185
Premises costs	3,499	3,133
Support Costs	6,459	6,357
Total other resources expended on charitable activities	<u>31,206</u>	<u>20,675</u>
	2019	2018
	£	£
Total resources expended on charitable activities	<u>31,306</u>	<u>20,675</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

7. Governance costs

	2019	2018
	Unrestricted funds	Unrestricted funds
	£	£
Staff costs	2,493	2,792
Premises and insurance costs	1,276	1,248
Communications, computer and printing	173	194
Accountancy	3,680	3,887
Fixed asset costs	264	324
Bank charges	132	136
Consultancy and legal costs	163	1,238
Other sundry costs	28	71
	<u>8,209</u>	<u>9,890</u>

8. Net movement in funds for the period

	2019	2018
	£	£
This is stated after charging/(crediting)		
(Profit)/loss on disposal of fixed assets	(18)	-
Depreciation	26,541	31,449
Independent Examiners Fees	3,000	2,950
	<u></u>	<u></u>

9. Staff costs

	2019	2018
	£	£
Staff costs were as follows:		
Salaries and wages	211,632	212,259
Social security costs	10,846	10,733
Pension costs	36,783	43,141
	<u>259,261</u>	<u>266,133</u>

Included within the above are redundancy payments totalling £1,154 (2018 – £nil).

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

9. Staff costs continued...

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

	2019	2018
Project work and activities for generating funds	10	10
Administration and support	4	5
Directors	4	4
	<hr/>	<hr/>
	18	19
	<hr/>	<hr/>

There were no employees whose emoluments exceeded £60,000

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 £52,062 (2018: £51,072).

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

10. Tangible fixed assets

	Land and buildings £	Computers £	Fixtures and equipment £	Motor vehicles £	Total £
Cost					
At start of period	738,250	60,154	50,215	47,173	895,792
Additions	-	-	-	-	-
Disposals	-	-	-	(208)	(208)
At end of period	<u>738,250</u>	<u>60,154</u>	<u>50,215</u>	<u>46,965</u>	<u>895,584</u>
Depreciation					
At start of period	174,241	54,355	44,126	20,428	293,150
Charge for period	16,031	2,319	1,522	6,669	26,541
Disposals	-	-	-	(101)	(101)
At end of period	<u>190,272</u>	<u>56,674</u>	<u>45,648</u>	<u>26,996</u>	<u>319,590</u>
Net book value					
At 31 July 2019	<u>547,978</u>	<u>3,480</u>	<u>4,567</u>	<u>19,969</u>	<u>575,994</u>
At 31 July 2018	<u>564,009</u>	<u>5,799</u>	<u>6,089</u>	<u>26,745</u>	<u>602,642</u>

11. Debtors

	2019 £	2018 £
Trade debtors	33,975	37,256
Prepayments and accrued income	778	2,211
	<u>34,753</u>	<u>39,467</u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

12. Creditors

	2019	2018
	£	£
Amounts falling due within one year		
Trade creditors	1,462	1,021
Accruals	3,805	4,093
Tax and social security	8,768	12,664
Other creditors	575	403
	<u>14,610</u>	<u>18,181</u>
	<u><u>14,610</u></u>	<u><u>18,181</u></u>

13. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	53,068	522,926	575,994
Current assets	319,103	4,892	323,995
Creditors: amounts falling due within one year	(14,610)	-	(14,610)
	<u>357,561</u>	<u>527,818</u>	<u>885,379</u>
	<u><u>357,561</u></u>	<u><u>527,818</u></u>	<u><u>885,379</u></u>

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

14. Movements in funds

	As at 1 August 2018 £	Incoming resources £	Outgoing resources £	Transfer between funds £	As at 31 July 2019 £
Restricted funds					
Building and reuse initiative	522,926	-	(13,941)	-	508,985
DCC – CREE Project	-	3,000	(3,000)	-	-
CDCF – Café Project	1,544	-	(1,544)	-	-
CDCF – Pallet Project	3,348	-	(3,348)	-	-
CDCF – Haven Project	-	5,000	(2,083)	-	2,917
PPT – Work experience project	-	20,000	(10,909)	-	9,091
PTC – Support of activities	-	610	(610)	-	-
Total restricted funds	527,818	28,610	(35,435)	-	520,993
Unrestricted funds					
General funds	457,735	629,352	(722,701)	-	364,386
Total unrestricted funds	457,735	629,352	(722,701)	-	364,386
Total funds	985,553	657,962	(758,136)	-	885,379

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

In the year there were two payments of £1,500 (Oct 18 and March 19) which were the twice yearly recurrent grants from DCC against our CREE project to fund activities for clients with emotional health issues. Funds were spent on PPE and supervision.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

County Durham Community Foundation (CDCF)

The CDCF grants were received to fund a number of internal projects including a Café project and a pallet project. All of the funds with a balance at the year end were fully spent after the year end and supporting completion reports have been sent to the funding provider.

The Haven project was a £5,000 grant from CDCF (County Durham Community Foundation) to support delivery of the charity's Afternoon Clubs for the lonely and isolated residents of the Murton area of East Durham.

The Peoples Postcode Trust – Work Experience Project

The Peoples Postcode Trust grant of £20,000 was received in January 2019 and was allocated monthly over 11 months February -December 2019. The project involved provision of work experience and employability support for 20 local unemployed clients and concluded on December 31st 2019. Funds were spent on a project supervisor and resources.

Peterlee Town Council – Support of activities

The amount received from PTC (Peterlee Town Council) of £610 was received in May 2019 and was a donation from the local Peterlee Councillors grant allocation to support the activities of the Afternoon Club held in Peterlee every Tuesday and the Haven Café held at EDP every Wednesday. The funds were spent on staff salaries and resources from May 2019 to July 2019 and the final evaluation report was submitted in October 2019 after the six months grant period concluded.

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.

EAST DURHAM PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (continued..)

16. Contingent liabilities

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

17. Capital commitments

At the balance sheet date the company had no capital commitments (2017: £Nil).

18. Operating lease commitments

Operating lease payments represent rentals payable by the company for the hire of trading premises.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
Amounts due within one year	-	603
	<hr/>	<hr/>
	-	603
	<hr/>	<hr/>

19. Trustee expenses and remuneration

No expenses incurred by trustees were reimbursed during the period, and no remuneration was paid (2018: £Nil).

20. Controlling party

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

21. Related parties

Mr JT 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 2019 (continued...)

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income/(expenditure) for year	(100,174)	(135,865)
Interest receivable	(1,365)	(1,582)
Depreciation and impairment of tangible fixed assets	26,541	31,449
(Profit)/loss on disposal of tangible fixed assets	(18)	-
(Increase)/decrease in stock	(31,252)	4,993
(Increase)/decrease in debtors	4,714	(10,120)
Increase/(decrease) in creditors	(3,571)	(13,074)
	<u>(105,125)</u>	<u>(124,199)</u>