

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

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**COMPANY NO. 03055620**

**REGISTERED CHARITY NO. 1090261**



**EAST DURHAM PARTNERSHIP LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**Current trustees and directors**

K. Hawkrige-Smith (Chair, company director)  
M. McNichol (company director)  
J.T. McLoughlin (company director)  
B. Hart (company director) (appointed 25/07/18)

**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 2018**

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## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2018**

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 2018.

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.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

#### **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 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) (appointed 25/07/18)  
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.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

#### **Risk management**

The trustees have reviewed the major risks to which the charity is exposed and systems have been established to mitigate those risks. The company is in the process of applying for ISO re-Certification as national standards were amended in Sep 2018. 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 in line with ISO procedures.

#### **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.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

#### **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/loneliness, isolation and 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 warehouse projects offer work experience for the disadvantaged members of the community.

2017/18 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. An external business review completed in June/July 2017 resulted in a number of recommendations, implemented by July 31st. A new retail outlet was established in Peterlee town centre in July 2018. Its purpose is 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.

#### **Financial review**

##### **Results**

Incoming resources decreased by over 6% from £661,645 in 2017 to £619,432 in 2018, primarily as the company ended the provision of management and educational services in 2017.

Overall funds decreased by £135,865 in the year compared with a decrease in funds of £215,765 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 2018 (continued..)**

#### **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 £251,241 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 organisational business review undertaken July 2018 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.



## **EAST DURHAM PARTNERSHIP LIMITED**

### **REPORT OF THE TRUSTEES (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2018 (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 2018 (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 .....20/3/19..... and is signed on their behalf by:

.....

K. Hawkridge-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 2018 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**

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: *25 March 2019* .....

**EAST DURHAM PARTNERSHIP LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 JULY 2018**

	<b>Note</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Funds 2018</b>	<b>Total Funds 2017</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary Income					
Donations	2	-	17,000	17,000	3,357
Investment income	4	1,582	-	1,582	2,275
Incoming resources from charitable activities:					
Education	3	-	-	-	47,216
Furniture and white goods	3	584,569	-	584,569	594,317
Other	3	16,281	-	16,281	14,480
<b>Total incoming resources</b>		<b>602,432</b>	<b>17,000</b>	<b>619,432</b>	<b>661,645</b>
<b>Resources expended</b>					
Cost of generating funds	5	706,660	18,072	724,732	836,771
Charitable activities	6	12,567	8,108	20,675	17,503
Governance costs	7	9,890	-	9,890	23,136
<b>Total resources expended</b>		<b>729,117</b>	<b>26,180</b>	<b>755,297</b>	<b>877,410</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(126,685)</b>	<b>(9,180)</b>	<b>(135,865)</b>	<b>(215,765)</b>
Gross transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>(126,685)</b>	<b>(9,180)</b>	<b>(135,865)</b>	<b>(215,765)</b>
<b>Total funds brought forward</b>		<b>584,420</b>	<b>536,998</b>	<b>1,121,418</b>	<b>1,337,183</b>
<b>Total funds carried forward</b>		<b>457,735</b>	<b>527,818</b>	<b>985,553</b>	<b>1,121,418</b>

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 2018**

			<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>				
Tangible assets	10		602,642	627,575
<b>Current assets</b>				
Stocks		31,084		36,077
Debtors	11	39,467		29,347
Cash at bank and in hand		330,541		459,674
		<u>401,092</u>		<u>525,098</u>
<b>Creditors</b>				
Amounts falling due within one year	12	(18,181)		(31,255)
<b>Net current assets</b>			<u>382,911</u>	<u>493,843</u>
<b>Total assets less current liabilities</b>			<u>985,553</u>	<u>1,121,418</u>
<b>Net assets</b>			<u>985,553</u>	<u>1,121,418</u>
<b>The funds of the charity:</b>				
<b>Unrestricted income funds</b>	14		457,735	584,420
<b>Restricted income funds</b>	14		527,818	536,998
<b>Total charity funds</b>	14		<u>985,553</u>	<u>1,121,418</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 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for complying with the requirements of the Companies 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).

**EAST DURHAM PARTNERSHIP LIMITED**

**BALANCE SHEET AS AT 31 JULY 2018 (continued..)**

The financial statements were approved and authorised for issue by the Board of Trustees on  
.....20/3/19..... and signed on their behalf by:



.....  
K.Hawkrige-Smith  
Director

**COMPANY NO. 03055620**

**REGISTERED CHARITY NO. 1090261**

**EAST DURHAM PARTNERSHIP LIMITED**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flow from operating activities</b>	21	(124,199)	(218,761)
Interest paid		-	-
<b>Net cash flow from operating activities</b>		<u>(124,199)</u>	<u>(218,761)</u>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(6,516)	(46,703)
Receipts from sales of tangible fixed assets		-	16,700
Interest received		1,582	2,275
<b>Net cash flow from investing activities</b>		<u>(4,934)</u>	<u>(27,728)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
<b>Cash and cash equivalents at start of year</b>		459,674	706,163
<b>Cash and cash equivalents at end of year</b>		<u>330,541</u>	<u>459,674</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		79,300	99,959
Short term deposits		251,241	359,715
<b>Cash and cash equivalents at end of year</b>		<u>330,541</u>	<u>459,674</u>



## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018**

#### **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.

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 2018 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 2018 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 2018 (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 2018 (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 2018 (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.

**2. Donations**

	<b>Total Unrestricted £</b>	<b>Total Restricted £</b>	<b>2018 £</b>	<b>2017 £</b>
Donations	-	-	-	50
Thirteen Group	-	-	-	-
County Durham Community Foundation (CDCF)	-	14,000	14,000	-
Durham County Council	-	3,000	3,000	3,307
	<u>-</u>	<u>17,000</u>	<u>17,000</u>	<u>3,357</u>
	<u>-</u>	<u>17,000</u>	<u>17,000</u>	<u>3,357</u>

**3. Charitable activities**

	<b>2018 Unrestricted Funds £</b>	<b>2017 Unrestricted Funds £</b>
Provision of management and educational services	-	47,216
Furniture and White Goods Sales	584,569	594,317
Rental income and room hire	1,050	2,992
Loneliness and Isolation Project	4,537	-
Café Sales	9,560	9,322
Sale of fabrics etc	1,134	2,166
	<u>600,850</u>	<u>656,013</u>
	<u>600,850</u>	<u>656,013</u>

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>Principal funding sources</b>	<b>Category</b>		
New College Durham	Education	-	48,598
Sales to individuals	Furniture and sale of fabrics	140,997	167,236
Greggs voucher scheme	Furniture	109,379	91,898
Enterprise Durham Partnership Limited	Furniture	138,629	112,271
Durham County Council	Furniture	83,204	98,284
Hartlepool Borough Council	Furniture	36,362	90,270
Holistic Temporary Accommodation and Support Service	Furniture	65,165	31,301
		<u>573,736</u>	<u>639,858</u>
Other		27,114	16,155
		<u>600,850</u>	<u>656,013</u>

**4. Investment income**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank interest	1,582	2,275
	<u>1,582</u>	<u>2,275</u>

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

**5. Cost of generating funds**

		<b>Furniture Including Up-cycling £</b>	<b>Café, fabrics &amp; provision of education £</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Direct cost</b>					
Furniture, white goods and fabrics		348,421	3,926	352,347	379,600
Wages – staff		124,641	12,649	137,290	150,188
Work wear and consumables		-	-	-	749
Training and accreditation		1,308	-	1,308	4,488
Course delivery		-	1,250	1,250	400
Equipment Hire		3,120	-	3,120	-
Fixed asset costs		23,924	906	24,830	27,298
Net profit on disposal of assets		-	-	-	(940)
Rent		722	-	722	3,430
Other running costs		16,425	-	16,425	21,130
Motor and travelling expenses		19,341	-	19,341	15,208
Bad debts		5,000	-	5,000	-
		<u>542,902</u>	<u>18,731</u>	<u>561,633</u>	<u>601,551</u>
<b>Support costs</b>	<b>Basis</b>				
Wages – staff	Time	103,295	5,584	108,879	185,999
Premises costs	Usage	13,420	725	14,145	18,214
Advertising	Usage	852	-	852	-
Bank charges	Usage	1,674	-	1,674	1,741
Professional fees	Time	12,952	-	12,952	4,850
Fixed asset costs	Usage	6,295	-	6,295	5,929
Insurance	Risk	9,256	487	9,743	9,736
Communications, computer and printing	Usage	6,261	-	6,261	5,956
Other	Usage	2,298	-	2,298	2,795
		<u>156,303</u>	<u>6,796</u>	<u>163,099</u>	<u>235,220</u>
<b>Total</b>		<u>699,205</u>	<u>25,527</u>	<u>724,732</u>	<u>836,771</u>
<b>Year ended 31 July 2017</b>		<u>767,333</u>	<u>69,438</u>		

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

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

Of the £724,732 expenditure shown above £706,660 (2017 - £822,132) was charged to unrestricted funds and £18,072 (2017 - £14,639) 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**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Grants</b>		
Grants to organisations	-	180
Grants to individuals	-	-
<b>Total grants</b>	<u>-</u>	<u>180</u>

Of the expenditure above, £nil (2017 – £180) was charged to unrestricted funds and £nil (2017 - £nil) was charged to restricted funds.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Other</b>		
<b>Direct costs</b>		
Wages – staff	11,185	11,931
Wages – beneficiaries	-	5,315
Project materials	-	67
Premises costs	3,133	-
Other running costs	-	10
<b>Support Costs</b>	6,357	-
<b>Total other resources expended on charitable activities</b>	<u>20,675</u>	<u>17,323</u>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Total resources expended on charitable activities</b>	<u>20,675</u>	<u>17,503</u>

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

### **7. Governance costs**

	<b>2018</b>	<b>2017</b>
	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>£</b>	<b>£</b>
Staff costs	2,792	5,443
Premises and insurance costs	1,248	1,302
Communications, computer and printing	194	153
Accountancy	3,887	4,202
Fixed asset costs	324	151
Bank charges	136	141
Consultancy and legal costs	1,238	11,737
Other sundry costs	71	7
	<u>9,890</u>	<u>23,136</u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
This is stated after charging/(crediting)		
Payment in lieu of notice and redundancy	-	10,000
(Profit)/loss on disposal of fixed assets	-	(940)
Depreciation	31,449	33,378
Independent Examiners Fees	2,950	2,950
	<u></u>	<u></u>

### **9. Staff costs**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff costs were as follows:		
Salaries and wages	212,259	303,964
Social security costs	10,733	19,453
Pension costs	43,141	35,459
	<u>266,133</u>	<u>358,876</u>

Included within the above are redundancy payments totalling £nil (2017 – £10,000).



## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

#### **9. Staff costs continued...**

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

	<b>2018</b>	<b>2017</b>
Beneficiaries	-	4
Project work and activities for generating funds	10	9
Administration and support	5	7
Directors	4	4
	<u>19</u>	<u>24</u>

	<b>2018</b>	<b>2017</b>
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 £51,072 (2017: £77,608).

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

**10. Tangible fixed assets**

	Land and buildings £	Computers £	Fixtures and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At start of period	736,171	56,943	48,989	47,173	889,276
Additions	2,079	3,211	1,226	-	6,516
Disposals	-	-	-	-	-
At end of period	<u>738,250</u>	<u>60,154</u>	<u>50,215</u>	<u>47,173</u>	<u>895,792</u>
<b>Depreciation</b>					
At start of period	156,131	51,760	42,298	11,512	261,701
Charge for period	18,110	2,595	1,828	8,916	31,449
Disposals	-	-	-	-	-
At end of period	<u>174,241</u>	<u>54,355</u>	<u>44,126</u>	<u>20,428</u>	<u>293,150</u>
<b>Net book value</b>					
At 31 July 2018	<u>564,009</u>	<u>5,799</u>	<u>6,089</u>	<u>26,745</u>	<u>602,642</u>
At 31 July 2017	<u>584,040</u>	<u>5,183</u>	<u>6,691</u>	<u>35,661</u>	<u>627,575</u>

**11. Debtors**

	<b>2018</b> £	<b>2017</b> £
Trade debtors	37,256	27,784
Prepayments and accrued income	2,211	1,563
	<u>39,467</u>	<u>29,347</u>

**EAST DURHAM PARTNERSHIP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

**12. Creditors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	1,021	8,650
Accruals	4,093	4,405
Tax and social security	12,664	15,244
Other creditors	403	2,956
	<u>18,181</u>	<u>31,255</u>

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

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	79,916	522,926	602,842
Current assets	396,000	4,892	400,892
Creditors: amounts falling due within one year	(18,181)	-	(18,181)
Creditors: amounts falling due after more than one year	-	-	-
	<u>457,735</u>	<u>527,818</u>	<u>985,553</u>

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)**

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

	As at 1 August 2017 £	Incoming resources £	Outgoing resources £	Transfer between funds £	As at 31 July 2018 £
<b>Restricted funds</b>					
Building and reuse initiative	536,998	-	(14,072)	-	522,926
CDCF – Website and Marketing	-	4,000	(4,000)	-	-
CDCF – Café Project	-	5,000	(3,456)	-	1,544
CDCF – Pallet Project	-	5,000	(1,652)	-	3,348
Durham County Council - CREE Project	-	3,000	(3,000)	-	-
<b>Total restricted funds</b>	<b>536,998</b>	<b>17,000</b>	<b>(26,180)</b>	<b>-</b>	<b>527,818</b>
<b>Unrestricted funds</b>					
General funds	584,420	602,432	(729,117)	-	457,735
<b>Total unrestricted funds</b>	<b>584,420</b>	<b>602,432</b>	<b>(729,117)</b>	<b>-</b>	<b>457,735</b>
<b>Total funds</b>	<b>1,121,418</b>	<b>619,432</b>	<b>(755,297)</b>	<b>-</b>	<b>985,553</b>

### **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 2017-18 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 2018 (continued..)**

#### **County Durham Community Foundation (CDCF)**

The CDCF grants were received to fund a number of internal projects including website and marketing, 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.

#### **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 (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:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	603	-
	<hr/>	<hr/>
	603	-
	<hr/>	<hr/>

**EAST DURHAM PARTNERSHIP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued..)****19. Trustee expenses and remuneration**

No expenses incurred by trustees were reimbursed during the period, and no remuneration was paid (2017: £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.

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for year	(135,865)	(215,765)
Interest receivable	(1,582)	(2,275)
Depreciation and impairment of tangible fixed assets	31,449	33,378
(Profit)/loss on disposal of tangible fixed assets	-	(941)
(Increase)/decrease in stock	4,993	(31,124)
(Increase)/decrease in debtors	(10,120)	(9,108)
Increase/(decrease) in creditors	(13,074)	7,074
	<u>(124,199)</u>	<u>(218,761)</u>