

Registered Charity Number: 1161504



**WE MIND THE GAP**

**TRUSTEES' REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2019**

**We Mind The Gap**  
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**For the year ended 30 April 2019**

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**We Mind The Gap**  
**Charity Information**  
**For the year ended 30 April 2019**

**TRUSTEES:**

David Clacher  
Rachel Clacher  
Louise Gatenby  
Karen Jones  
Kirsty Rogers (Appointed 01/02/2019)

**REGISTERED OFFICE:**

We Mind The Gap  
Ellice Way  
Wrexham  
LL13 7YL

**CHARITY NUMBER:**

1161504

**REGISTERED NUMBER:**

CEO 04030

**ACCOUNTANTS AND INDEPENDENT  
EXAMINERS:**

RSM UK Tax and Accounting Limited  
Chartered Accountants  
One City Place  
Queens Road  
Chester  
CH1 3BQ

**We Mind The Gap**  
**Trustees' Report**  
**For the year ended 30 April 2019**

The Trustees submit their report and unaudited financial statements for the Charity for the year ended 30 April 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Legal and administrative information set out on page 2 forms part of this report.

**Trustees**

The Trustees who served during the year and to the date of this report were:

David Clacher

Rachel Clacher

Louise Gatenby

Karen Jones

Kirsty Rogers (Appointed 01/02/2019)

**Principal Objectives of the Charity**

The Charity's objects and principal activities are for the benefit of the public generally but specifically to act as a resource for young people aged between 18 and 30 living in the UK by providing advice and assistance and organising programmes of work experience, physical, educational; and other activities as a means of:

- Advancing in life and helping young people by developing their skills, capacity and capabilities to enable them to participate in society as independent, mature and responsible individuals;
- Advancing education;
- Relieving unemployment;
- Providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.

**Structure, Governance and Management**

The organisation was registered as a Charity (Registration no 1161504) on 30 April 2015 as amended 26 August 2017. The organisation was established as a charitable incorporated organisation (CIO).

**Recruitment, Appointment and Training of Trustees**

Trustees are appointed by a resolution of the Trustees passed at the board meeting. The minimum number of Trustees is three. The Board undertake a skills analysis annually to identify current skills amongst Trustees and gaps and agree to appoint new Trustees to meet those outstanding skill sets. In 2018 a new Trustee joined the Board reflecting skills in Finance and Human Resources. In addition, a Solicitor specialising in Employment Law joined the board in June 2019 and a trainee Trustee will be

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**Recruitment and Appointment of Trustees (continued)**

appointed in January 2020 – a member of the Charity's original 2014 cohort reflecting lived experience at Board level.

New trustees undergo an orientation day to brief them on: their legal obligations under charity law, the Charity Commission guidance on public benefit, inform them of the charity's strategy and objectives, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role as well as meet with programme participants and attend events held with and for them.

**Key management personnel remuneration**

The Trustee Board provides strategic oversight and governance rather than running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid during the period. The Trustees have appointed directors and manager to manage the day-to-day operations of the charity. To facilitate effective operations, the directors and managers have delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and trainee related activity.

**Related parties**

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee, director or senior manager of the charity with a company, supplier, donor or other charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. These are reported in Note 18.

**Public Benefit**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

**Overview**

Neglect, broken homes, a challenged education system, a complex benefits system and third generation workless households have culminated in a generation of forgotten young people with few aspirations or opportunities, and who are emotionally and neurologically immature. This problem manifests itself in many young people living in poverty, unable to lead independent lives, with no aspirations, confidence or real choices in life and work.

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**Our vision** is a world in which every young person has the maturity, aspirations, confidence, independence and skills to have real choices in life and work.

**Our mission** is to give new opportunities in life and work to under-served young people in our local communities through the provision of totally holistic, paid traineeships which address any gaps in maturation, aspiration, confidence, care and skills.

This is not about CV-writing workshops and tea and toast for poor unfortunates...or ticking boxes... This is about delivering real and lasting change for young people who deserve better. This is social mobility in action.

**Achievements and Performance for 2018/19**

The Charity was born out of the privately-owned company Moneypenny in Wrexham, North Wales and since 2014 the programme and central team was based at their HQ. Eligibility was only for young women living in that Borough. The success achieved in the first three years allowed the Charity to replicate its programmes in 2017/18 in other geographical areas achieving the same success rates as in Wrexham. 2018/19 saw the Charity consolidate on its success in delivering programmes in communities other than Wrexham, with successful programmes in Flintshire and Manchester.

The highlight of the year was being invited by the Big Lottery, now known as The National Lottery Community Fund ("TNLCF") to bid for an award to help growth, innovation and to widen the number of beneficiaries able to participate in programmes.

A five-month project looked at the Charity's structure, governance, its differentiators, best practice models and financing to allow a clear Business Plan for the period 2019 – 2023 evidencing the move to a sustainable funding model and the roll out of the programmes across North Wales and the North West. The bid looked at how TNLCF could support the Charity in expanding its central "Hub" team to support the delivery of the growing number of programmes and the BeyondTheGap model – the post intervention programme for every successful participant of the We Mind The Gap programme. Challenging, rewarding and thought provoking the process culminated in a submission to panel in December 2018. The Charity's bid was approved, receiving a Grant Award of £1.1m over a 5-year period, which is subject to regular performance reviews. The Grant Award allows the Charity to do more and do better in serving the young people who participate on the programmes. Crucially the Award will allow more opportunities for young people in different communities which will increase the impact the Charity has on the lives of young people.

The success in the award will enable the Charity to better serve our young people through careful investment in the development of a robust and effective central operation. In February 2019 the Charity moved to its new home in Wrexham, now known as the Hub. The Hub space allows for the growth of the central support team, and at the same time provides a home for the delivery of the Wrexham programme.

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**Achievements and Performance for 2018/19 (continued)**

All growth is underpinned by our values which drive daily decisions and ensures that we do what is right by our participants, and not what is easy. By setting our values as the compass for all decisions, they drive our philosophy of putting our participants at the centre of our thinking, the recruitment of all staff appointments, and the organisational structure. Most importantly it ensures that the programme is based on love and care and is underpinned by best practice methodology.

**The Values we live by:**



The planned growth of the Hub Team started with the appointment of a Business Development Director followed by three new posts: a Champion for the post intervention programme BeyondTheGap to look after the growing alumni of successful participants of the programme; and Community Makers. The Community Maker's primary responsibility is to create the community each programme is delivered in, from employer partners to third sector and corporate supporters and allies. Believing in the philosophy that "it takes a village to raise a child" creating the supportive

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**The Values we live by (continued):**

community for each cohort is central to the success of replication. As important the Community Makers support staff during day to day delivery, being a sounding board for difficult decisions, and ensure each programme is meeting expectations and standards. Future growth of the Hub Team in 2019/20 will include the appointment of a Communications Executive and Bid Writer.

The emphasis for 2018/19 has been to create firm foundations introducing digital platforms for finance, communication and safeguarding monitoring; developing an extended induction programme for staff and growing the network of sessional Life Coaches. Significantly, delivery and Hub team staff have moved to permanent contracts rather than 34 weeks temporary contracts allowing a greater retention of key staff. By creating firm foundations and developing the central Hub team the Charity is better able to 'mind the gaps' of the young people we support and 'bridge the gaps' between the public and private sector.

With the Wrexham and Flintshire programmes embedded in their communities with key Local Authority support, the Charity aimed to deliver a second programme in Liverpool in early 2019. Disappointingly, the key financial stakeholder could not be engaged, and the hard decision was made to concentrate on Manchester which had confirmed funding. Commissioned by Manchester City Council to provide an innovative and intensive programme to young women within the Leaving Care Community, the Manchester pilot project set out to identify the challenges of delivering in the city centre, the particular cultural needs of the cohort and to engage with a new community of employer partners to provide the meaningful placements that underpin the programme.

Wrexham and Flintshire programmes continued to grow, gaining further momentum in years 5 and 2 respectively. Both operated with a blended funding model of Local Authority primary stakeholders contributing 50% of costs, with the balance made up of donations and grants from Housing Associations, Corporates, Grant funding and philanthropic donations. Bridging the gap between the public and the private sector is a significant difference in the way the Charity operates and both sectors find added value from the consortium approach.

A total of £363,964 was raised ensuring that each programme delivered to the standards set in years 1 – 3.

Wrexham and Flintshire 'minded the gaps' of 20 young women and saw 16 complete their 26-week programme. Of those 3 maintained a 100% attendance record. Benchmarked against more traditional and public funded employability courses the 80% success rate remains remarkable. All those who completed the programme did so with essential IT skills, improved literacy and numeracy skills (courtesy of local FE colleges), Level 2 Food Hygiene certificate, Emergency First Aid at Work and self-defence skills. In addition, budget skills have been learned, cooking classes completed, mental health and fitness improved, and aspirations gained. The Manchester pilot project offered 7 places with 5 completing the full 26 weeks. Over the three cohorts 70% of completing participants moved directly into employment or further education.



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**The Values we live by (continued):**

The Charity aims to give each beneficiary the skills to lead independent lives and have choices, and in looking at the future destinations of each cohort those objectives are being achieved. From full time employment in administration, hospitality, adult care, and hotel housekeeping, to University and full-time further education good choices are being made – including being a first time mum.

From 2014 the Charity has retained a relationship with 80% of participants who have completed the programme. The Charity recognised the importance of providing an ongoing community of peer to peer support, positive role models and aspirational activities to ensure those who successfully complete the programme have a means of engaging on an ongoing basis with a new “family” who support their drive to build independent lives and make positive choices about their futures. The delivery of this ongoing support is a clear differentiator for the Charity and the successful TNCFL Award has allowed us to develop its post transitional offer with a formalised second sixth month of support. At the heart of this development have been the participants themselves, who engaged with us as to their needs, wants and ideas.

Delivered by the new post of BeyondTheGap Champion the Charity is now able to support a second six months focused on progression goals, further coaching, peer to peer support, social events and DofE Awards challenge. And after their second six months of support every beneficiary becomes an alumni member of the exclusive We Mind The Gap club. With the 2017/18 cohorts leading the way as advocates, the first BeyondTheGap transition phase ran in March 2019 with 90% take up and good feedback on the sessions and plans. The result was those finishing their programme had the confidence that the Charity would remain a constant in their lives after employment ended. The future BeyondTheGap plans are to consolidate on the first year's learnings, create the opportunity in Manchester, and to ensure that growth is always driven by the voice of the beneficiaries.

The Board of Trustees were joined by Karen Jones as Finance Trustee in April 2018. Karen is a Chartered Accountant, business owner and Governor of a School board and brings to the Charity a wealth of expertise in both her expertise of finance and governance.

In addition, the Charity have secured the patronage of Sir John Timpson, a lifelong supporter and advocate for young people in the care system and who have attachment issues. Describing We Mind The Gap as being “the best of the best for young people with attachment issues” his support and patronage is a great honour.

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**Plans for the future**

2019/20 will see 4 traineeships delivered across Wrexham, Flintshire, and two in Manchester and offer 40 young people the opportunities to grow and develop. In addition, the Charity will run a pilot project for young men in quarter 4 of 2019/20 to understand how the delivery model needs to adapt, to deliver impact and opportunities to a different gender-based cohort.

Attention will be given to establishing long term partnerships for the benefit of all beneficiaries regardless of location and these include The Outward Bound Trust, DofE Awards, and The YHA.

As always, the Charity we will continue to engage with stakeholders, supporters and allies to increase the awareness of the programme and actively engage with Local Authorities and Agencies who wish to affect social change for their most vulnerable young people.

Maintaining and improving on the current 80% completion rate of the programmes remains critical, but alongside that the Charity aims to see improved mental health and wellbeing demonstrated by all participants. Focus is on an improvement in literacy and numeracy achievements and the Charity is working hard with external partners to make sessions relevant with achievable outcomes. Finally, the Charity will strive to ensure opportunities of employment, apprenticeships and further education are attainable for all participants as they complete the programme, to ensure a smooth transition into independent living and the working world. The Charity is incredibly proud of the growth and success in five years and most importantly of the stories of those it has supported and impact it has had on lives – but we remain committed to reviewing, evaluating and adapting the programme to ensure success is sustainable for long term.

Confident that the model is helping young people move from being “prisoners of circumstance to pilots of their own lives” our ambition over the next 5 years is clear: we are about impact, not scale.

By 2023 we will

1. Be running 16 programmes providing opportunities for 500 under-served young people
2. Be perceived and recognised as exemplars with clear impact on policy.
3. Start to see the WeMindTheGap programme mainstreamed within communities.
4. Evidence the model has lasting impact across generations: our graduates' parent differently.
5. Change policy so there are fewer gaps to mind.

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**Financial Review**

2019 is the 4<sup>th</sup> year of trading and this year has seen significant growth in the charities funding portfolio. The principal sources of income to the charity itself were: donations (including gift aid) of £223,861 (2018: £95,804), income from fundraising events of £3,922 (2018: £40,949), and grants of £344,338 (2018: £240,846) including the new grant award from Big Lottery of £160,462.

The Charity made a deficit for the year of £48,717 (2018: £37,245), with retained funds of £4,177 (2018: £52,894) at the year end. The Charity committed significant set up funds to prove concept in running three traineeships in different geographical areas, critical to the long-term growth and replication plans.

**Risk Management**

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by the Charity.

**Reserves Policy**

The Trustees are reviewing the reserves policy to ensure it is fit for purpose and in line expected growth in addition to be compliant with the current Charity Commission guidelines. Currently the reserves target is being developed by the trustees and will be formalised in due course. The Charity's aim is to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure.

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**Trustees' Responsibilities**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities requires the Charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Charity will continue in business.

The Trustees are responsible for keeping proper 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

**ON BEHALF OF THE BOARD**



Rachel Clacher

Chair

Date: 24/2/2020

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WE MIND THE GAP**

I report to the Trustees on my examination of the financial statements of We Mind The Gap ('the Charity') for the year ended 30 April 2019, which are set out on pages 14 to 31.

### **Responsibilities and basis of report**

As the Trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

### **Independent examiner's statement**

Since the charity'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 in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WE MIND THE GAP (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 financial statements to be reached.

RSM UK Tax and Accounting Limited

Name: **John Guest**

Name of applicable listed body: **The Institute of Chartered Accountants in England and Wales**

Membership of professional body: **Chartered Accountant**

ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants

One City Place

Queens Road

Chester

CH1 3BQ

Date: 25 February 2020

## We Mind The Gap

### Statement of Financial Activities (including Income and Expenditure Account) For the year ended 30 April 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
	Note				
<b>INCOME</b>					
Donations and legacies	2	79,288	144,573	223,861	95,804
Income from charitable activities	3	20,000	324,338	344,338	240,846
Income from other trading activities	4	3,922	-	3,922	40,949
<b>Total income</b>		<u>103,210</u>	<u>468,911</u>	<u>572,121</u>	<u>377,599</u>
<b>EXPENDITURE</b>					
Costs of raising funds	5	6,679	-	6,679	21,403
Expenditure on charitable activities	5	145,248	468,911	614,159	393,441
<b>Total expenditure</b>	6	<u>151,927</u>	<u>468,911</u>	<u>620,838</u>	<u>414,844</u>
<b>Net income/(expenditure) before transfers</b>		(48,717)	-	(48,717)	(37,245)
Transfer between funds		-	-	-	-
<b>Net movement in funds</b>		(48,717)	-	(48,717)	(37,245)
<b>Total funds brought forward</b>		<u>52,894</u>	-	<u>52,894</u>	<u>90,139</u>
<b>Total funds carried forward</b>		<u>4,177</u>	-	<u>4,177</u>	<u>52,894</u>

The Charity has no recognised gains or losses other than as stated in the Statement of Financial Activities. These unaudited financial statements have been subjected to independent examination. See page 12.

We Mind The Gap

Statement of Financial Position as at 30 April 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<b>FIXED ASSETS</b>					
Intangible assets	10		2,567		3,337
Tangible assets	11		16,816		1,548
			19,383		4,885
<b>CURRENT ASSETS</b>					
Debtors	12	67,567		109,082	
Cash at bank and in hand		3,565		17,071	
		71,132		126,153	
<b>CREDITORS:</b> amounts falling due within one year	13	(86,338)		(78,144)	
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>			(15,206)		48,009
<b>NET ASSETS</b>			4,177		52,894
<b>CHARITY FUNDS</b>					
Restricted funds	16				-
Unrestricted funds	16		4,177		52,894
<b>TOTAL FUNDS</b>			4,177		52,894

The financial statements were approved by the Trustees and authorised for issue on 24/2/2020 and were signed on their behalf by:



Rachel Clacher  
Trustee



## We Mind The Gap

### Cash Flow Statement for the year at 30 April 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities as shown below	23,268	(113,668)
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(16,665)	(5,636)
<b>Net decrease in cash and cash equivalents</b>	(16,665)	(5,636)
<b>Cash flows from financing activities:</b>		
Loan repayments	(50,109)	-
Other loan received	30,000	50,109
<b>Net decrease in cash and cash equivalents</b>	(20,109)	(69,195)
<b>Cash movement</b>		
Change in cash and cash equivalent from activities in the year ended 30 April 2019	(13,506)	(69,195)
Cash and cash equivalent at 1 May 2018	17,071	86,266
<b>Cash at bank and in hand at 30 April 2019</b>	<u>3,565</u>	<u>17,071</u>

	2019 £	2018 £
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net expenditure shown in Statement of Financial Activities	(48,717)	(37,245)
<b>Adjusted for:</b>		
Depreciation charges	2,167	751
Decrease/ (increase) in debtors	41,515	(101,851)
(Decrease)/ increase in creditors	28,303	24,677
<b>Net cash used in operating activities</b>	<u>23,268</u>	<u>(113,668)</u>

## **We Mind The Gap**

### **Notes to the Financial Statements For the year ended 30 April 2019**

#### **1. Accounting Policies**

The following accounting policies have been applied consistently regarding items considered material to the financial statements.

##### **a) Accounting convention**

The financial statements have been prepared in accordance with The Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We Mind The Gap meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

##### **b) Going Concern**

The Trustees have considered transactions that are anticipated to take place in the foreseeable future and have concluded that no additional financial resources will be required. On this basis the Trustees have concluded that adopting the going concern basis of accounting in preparing the annual financial statements is appropriate.

## **We Mind The Gap**

### **Notes to the Financial Statements For the year ended 30 April 2019**

#### **1. Accounting Policies (*continued*)**

##### **c) Income recognition**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government grants is presented within income for charitable activities. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

##### **d) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or appointed to the applicable expenditure heading.

## **We Mind The Gap**

### **Notes to the Financial Statements For the year ended 30 April 2019**

#### **1. Accounting Policies (*continued*)**

##### **d) Expenditure (*continued*)**

Expenditure on charitable activities 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 to support them.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving public accountability of the Charity and its compliance with regulation and good practice. These costs include costs relating to audit, accounts preparation and legal fees together with an apportionment of overhead and support costs.

Costs of raising funds consist of certain legal fees and costs associated with attracting voluntary income and the cost of trading for fundraising purposes.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

##### **e) Donations in kind**

Donated services or facilities are included in incoming resources when the benefit to the charity is reasonably quantifiable and measurable. They are valued by the trustees at the amount the charity would have been willing to pay for the services or facilities on the open market.

##### **f) Fund accounting**

Funds held by the Charity are either:

- Unrestricted funds which can be used in accordance with the charitable objectives at the discretion of the Trustees;
- Restricted funds which can only be used for a particular restricted purpose within the charitable objectives.

##### **g) Financial instruments**

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **We Mind The Gap**

### **Notes to the Financial Statements For the year ended 30 April 2019**

#### **1. Accounting Policies (*continued*)**

##### **h) Financial assets**

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

##### **i) Financial liabilities**

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into.

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

##### **j) Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computers	20% straight line
Fixtures & Fittings	20% straight line

##### **k) Intangible fixed assets**

Intangible assets are recognised at costs and are subsequently measured at cost less accumulated amortisation. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Website	20% straight line
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##### **l) Critical estimates and judgements**

The Trustees believe that estimates and assumptions do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

## We Mind The Gap

### Notes to the Financial Statements For the year ended 30 April 2019

#### 2. Donations and legacies

	Unrestricted	Restricted	Total	Total
			2019	2018
	£	£	£	£
Donations	65,937	144,573	210,510	92,793
Gift Aid reclaimed	13,351	-	13,351	3,011
	<u>79,288</u>	<u>144,573</u>	<u>223,861</u>	<u>95,804</u>

In 2019, of the total donations received of £223,861 (2018: £95,804) £79,288 (2018: £39,054) was attributable to unrestricted funds and £144,573 (2018: £56,750) was attributable to restricted funds.

The Charity received support from many organisations throughout the year. We would like to say a special thank you to Callitech Limited who has donated staff time to run the administration of the Charity throughout the year which has amounted to £25,577 (2018: £48,329) of staff costs and £13,771 (2018: £8,421) of other costs. The estimated value of these services is recognised within incoming resources as a donation, and an equivalent charge included within staff costs.

During the year the Charity also moved to new premises on two sites. The charity is grateful to Callitech Limited and Pennaf for the use of its office space. The value of this rent to the charity is estimated at £66,500 (2018: £Nil). The estimated value of these services is recognised within incoming resources as a donation, and an equivalent charge included within premises costs.

## We Mind The Gap

### Notes to the Financial Statements For the year ended 30 April 2019

#### 3. Income from charitable activities

	Unrestricted	Restricted	Total 2019	Total 2018
	£	£	£	£
Grants	20,000	324,338	344,338	240,846
	<u>20,000</u>	<u>324,338</u>	<u>344,338</u>	<u>240,846</u>

In 2019, of the total income received from charitable activities of £344,338 (2018: £240,846) £20,000 (2018: £19,500) was attributable to unrestricted funds and £324,338 (2018: £165,816) was attributable to restricted funds.

#### 4. Income from other trading activities

	Unrestricted	Restricted	Total 2019	Total 2018
	£	£	£	£
External Payroll Services	248	-	248	-
Speaking events	3,497	-	3,497	-
Fundraising events	177	-	177	40,949
	<u>3,922</u>	<u>-</u>	<u>3,922</u>	<u>40,949</u>

The total amount of income received from other trading activities was unrestricted as in 2018.

## We Mind The Gap

### Notes to the Financial Statements For the year ended 30 April 2019

#### 5. Analysis of expenditure on charitable activities

	Staff costs	Other costs	Total 2019	Total 2018
	£	£	£	£
<b>Costs of raising funds</b>				
Fundraising events costs	-	6,679	6,679	21,403
<b>Direct costs</b>				
Programme costs	-	126,236	126,236	83,471
Trainee salary costs	118,648	-	118,648	119,493
Delivery Team costs	48,653	-	48,653	-
<b>Support Costs</b>				
Staff costs	141,894	-	141,894	144,946
Premises costs	-	71,823	71,823	3,790
Hub running costs	-	-	-	5,302
Marketing	-	5,863	5,863	3,759
Professional fees	-	18,183	18,183	2,984
Business Development	-	30,487	30,487	-
Other costs	-	50,422	50,422	26,745
<b>Governance costs (note 7)</b>	-	1,950	1,950	2,952
<b>Total</b>	<b>309,195</b>	<b>311,643</b>	<b>620,838</b>	<b>414,844</b>

In 2019, the total expenditure of £620,838 (2018: £414,844), £468,911 was attributable to restricted funds (2018: £227,566) and £151,927 (2018: £187,278) was attributable to unrestricted funds.



## We Mind The Gap

### Notes to the Financial Statements For the year ended 30 April 2019

#### 6. Summary of charitable costs by activity

	Direct costs £	Support Costs £	Governance (see note 7) £	Total 2019 £	Total 2018 £
Beyond the Gap	6,451	-	-	6,451	2,298
Flintshire	95,085	-	-	95,085	82,887
Liverpool	40	-	-	40	80,068
Wrexham	110,446	-	-	110,446	114,811
Manchester	53,166	-	-	53,166	-
Head office	-	310,643	1,950	312,593	108,867
Marketing	-	5,863	-	5,863	3,759
Depreciation & Amortisation	-	2,167	-	2,167	751
Fundraising	-	6,679	-	6,679	21,403
The Hub	28,348	-	-	28,348	-
<b>Total</b>	<b>293,536</b>	<b>325,352</b>	<b>1,950</b>	<b>620,838</b>	<b>414,844</b>

#### 7. Governance costs

	2019 £	2018 £
Accounts preparation	-	1,500
Independent examination	1,950	1,452
	<u>1,950</u>	<u>2,952</u>

## **We Mind The Gap**

### **Notes to the Financial Statements For the year ended 30 April 2019**

#### **8. Staff costs**

Staff costs were as follows:

	2019	2018
	£	£
Salaries and wages:		
Wages	264,596	194,912
Donations in Kind	25,577	48,329
Social security costs	16,389	7,340
Pension	2,633	165
	<u>309,195</u>	<u>250,746</u>

No employees received emoluments of more than £60,000.

During the year the Charity employed 30 trainees for a 26 week programme. The Charity considers its key management personnel to comprise the Trustees. No Trustees received remuneration or expenses during the period.

#### **9. Taxation**

The Charity is exempt from tax on income and gains falling within Part 11 of the Corporation Taxes Act 2010 or section 256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objects.

**We Mind The Gap**

**Notes to the Financial Statements  
For the year ended 30 April 2019**

**10. Intangible fixed assets**

	Intangible assets - Website £
<b>Cost</b>	
At 30 April 2018	3,850
Additions	-
	<hr/>
At 30 April 2019	3,850
	<hr/> <hr/>
<b>Depreciation</b>	
At 30 April 2018	513
Charge for the year	770
	<hr/>
At 30 April 2019	1,283
	<hr/> <hr/>
<b>Net book value</b>	
At 30 April 2018	3,337
At 30 April 2019	2,567
	<hr/> <hr/>

## We Mind The Gap

### Notes to the Financial Statements For the year ended 30 April 2019

#### 11. Tangible fixed assets

	Fixtures & Fittings	Tangible assets - Computers £	Total £
<b>Cost</b>			
At 30 April 2018	-	1,786	1,786
Additions	12,135	4,530	16,665
	<hr/>	<hr/>	<hr/>
At 30 April 2019	12,135	6,316	18,451
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>			
At 30 April 2018	-	238	238
Charge for the year	837	560	1,397
	<hr/>	<hr/>	<hr/>
At 30 April 2019	837	798	1,635
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 30 April 2018	-	1,548	1,548
At 30 April 2019	11,298	5,518	16,816
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 12. Debtors

	2019 £	2018 £
Trade debtors	41,832	49,653
Other debtors	20,125	4,981
Prepayments and accrued income	5,610	54,448
	<hr/>	<hr/>
	67,567	109,082

**We Mind The Gap**

**Notes to the Financial Statements  
For the year ended 30 April 2019**

**13. Creditors: Amounts falling due within one year**

	2019	2018
	£	£
Trade creditors	25,906	15,271
Accruals	19,372	9,202
Other tax and social security	11,060	3,561
Other creditors	30,000	50,110
	<u>86,338</u>	<u>78,144</u>

**14. Financial Instruments**

	2019	2018
	£	£
Financial assets		
Debt instruments measured at cost less impairment	<u>45,430</u>	<u>105,005</u>
Financial liabilities		
Measured at amortised cost	<u>75,278</u>	<u>74,206</u>

## We Mind The Gap

### Notes to the Financial Statements For the year ended 30 April 2019

#### 15. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total 30/04/19
	£	£	£
Fixed assets	19,383	-	19,383
Debtors	67,567	-	67,567
Cash at bank	3,565	-	3,565
Creditors	(86,338)	-	(86,338)
Total Funds	<u>4,177</u>	<u>-</u>	<u>4,177</u>
	Unrestricted Funds	Restricted Funds	Total 30/04/18
	£	£	£
Fixed assets	4,885	-	4,885
Debtors	109,082	-	109,082
Cash at bank	17,071	-	17,071
Creditors	(78,144)	-	(78,144)
Total Funds	<u>52,894</u>	<u>-</u>	<u>52,894</u>

## We Mind The Gap

### Notes to the Financial Statements For the year ended 30 April 2019

#### 16. Analysis of Funds

	Balance at 30/04/18 £	Income £	Expenditure £	Transfers £	Balance at 30/04/19 £
Unrestricted Funds	52,894	103,210	(151,927)	-	4,177
Restricted Funds	-	468,911	(468,911)	-	-
Total Funds	52,894	572,121	(620,838)	-	4,177

Restricted funds represent the donations in kind received in relation to staff costs, grants received for the delivery of employment programmes moving young people into work, specifically a Welsh Government Grant and a Big Lottery Grant.

Unrestricted funds are available to be spent for any of the purposes of the Charity.

#### 17. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	2019 £	2018 £
Amounts due:		
Within one year	18,490	7,604
Between one and five years	24,817	-
	43,307	7,604

## **We Mind The Gap**

### **Notes to the Financial Statements For the year ended 30 April 2019**

#### **18. Related Party Transactions**

During the year Callitech Limited had the following transactions with We Mind The Gap. Donations of £Nil (2018: £1,000) to a fund-raising event, recharges of £Nil (2018: £3,318) for the provision of financial services.

During the year R and D Clacher, who are Trustees of the Charity, made personal donations of £50,000 (2018: £10,000) to We Mind The Gap. During the year R Clacher made an unsecured loan to We Mind The Gap of £30,000 (2018: £Nil). The balance at 30 April 2018 was £30,000 (2018: £Nil) and is included within other creditors.

TDKP Limited and Callitech Limited are related to the Charity through R Clacher, who is a Trustee of the Charity and a Director of both companies. During the year Callitech Limited made an unsecured loan to We Mind The Gap of £Nil (2018: £50,000). The balance at 30 April 2018 was £Nil (2018: £49,685) and is included within other creditors.

#### **19. Financial Period**

These financial statements cover the year ended 30 April 2019. The Trustees have selected 30 April as the most appropriate date for preparing financial statements.